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Strike in Kenya Turns Violent

Opposition Raises Pressure for Constitutional Reform

Compiled by Our Staff From Dispatches

NAIROBI — The police said that two policemen were killed Friday and that officers had killed a man in clashes in Kenya's capital and the town of Kiambu during a one-day national strike called by opposition groups.

A police statement said pro-reform demonstrators in a park in central Nairobi injured several people and attacked an off-duty policeman who died from his injuries at Kenyatta National Hospital.

Witnesses to the incidents said youths chased and beat several people they accused of being police spies. Two people were slightly injured and one man, identified by demonstrators as a police inspector with the Special Branch, was killed.

The police said an inspector in the town of Kiambu, 10 kilometers (six miles) north of Nairobi, was stoned by a mob that had barricaded a road and was killed when his vehicle overturned.

It said the police opened fire with tear gas and live ammunition when demonstrators barricaded a road near Kiambu. One attacker was shot in the leg and died while he was being treated.

The general strike, which was observed throughout the country, was the opposition's boldest move since efforts began four months ago to pressure President Daniel arap Moi into reforming the legal system ahead of this year's elections. Nine people were killed when the police broke up pro-reform rallies in seven towns on July 7.

The labor minister, Philip Masinde, declared Friday's strike illegal and ordered the police to ensure a normal working day. Small groups of riot police patrolled the streets of central Nairobi.

In two suburbs, however, demonstrators blocked roads and threw stones at passing vehicles.

On Tuesday, the National Convention Assembly, an umbrella organization of reform advocates, religious leaders and opposition parties, gave Mr. Moi two days to accept a formula for negotiations before it called the strike.

The assembly demanded that Mr. Moi suspend preparations for yet-to-be-scheduled elections until an agreement on reforms was reached. They also asked the president to withdraw government-proposed reform legislation, which the opposition

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Corinne Dufka/Reuters

Protesters throwing rocks at the police in one of Nairobi's poorer areas Friday, as violence erupted during a banned general strike called by the opposition to demand legal reform.

Trade Data From Japan Jolt Dollar And Stocks

Surplus Rings Alarm: Is Tokyo Exporting Its Way to Recovery?

Compiled by Our Staff From Dispatches

NEW YORK — News of a burgeoning Japanese trade surplus and interest-rate fears on Wall Street combined to push the dollar and the U.S. financial markets sharply lower Friday.

The dollar was down against the yen and the Deutsche mark in late New York trading, and the Dow Jones industrial average ended 156.78 points lower at 8,031.22.

The U.S. currency initially weakened after Japan said its June current-account surplus was 1.02 trillion yen ($8.61 billion), almost 56 percent higher than in the corresponding month of 1996.

The growing Japanese trade advantage indicates the country's tentative economic recovery is heavily reliant on exports, a fact that economists said was bound to worsen trade friction with the United States.

The figures came in at the top end of the range of expectations, and economists said they were not good news for Tokyo policymakers facing U.S. charges that Japan was trying to export its way out of its economic slump.

"We think it's inevitable that trade friction will increase," said Richard Jerram, chief economist at ING Barings Securities in Tokyo.

"The main reason for this is that Japanese manufacturers are facing very weak demand at home, so they've been forced to look to overseas markets to sell their goods," he said.

This week, the U.S. trade representative, Charlene Barshefsky, said Washington was concerned about the Japanese trade advantage, especially as American car exports to the country were falling. Japanese officials appeared to try to play down the trade data, saying recent rises in the surplus were due to the increase in the nation's sales tax this year and that they saw no signs of continuing large rises. But economists said the surplus would follow a rising path for some time because of the recent weakening of the yen, and some said Japanese officials may have no

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New Crew Aboard Mir Faces Risky Repair Task

Agence France-Presse

MOSCOW — The weary crew of the troubled Mir space station began handing over their duties on Friday to two new Russian cosmonauts, who face the daunting task of inspecting the craft's dark and airless Spektr module and reconnecting vital power cables.

The old crew — Vasili Tsibliyev, Alexander Lazutkin and Michael Foale, an American — will spend a week handing over to Anatoli Solovyov and Pavel Vinogradov, "explaining where everything is, and the preparations already made for the mission to Spektr," said a Mission Control spokesman, Valeri Lindin.

The relief crew's first job was to check out the escape route to be used in the event of an emergency evacuation.

Mr. Solovyov and Mr. Vinogradov joined their colleagues aboard Mir late Thursday after docking their Soyuz TM-26 craft with the 11-year-old orbiter, a maneuver that did not go according to plan.

Mr. Solovyov, one of Russia's most experienced cosmonauts, switched to manual for the final approach, although the procedure was to be automatic.

"Solovyov said his view of the target area was not clear enough under the automatic system, so he switched to manual," Mr. Lindin said. "It won't affect future dockings."

Mir's aging Elektron generators, which are electrolysis equipment for producing oxygen, were not working.

■ U.S. May Deliver Spare Part

Michael Specter of The New York Times wrote from the space center:

The Russian Space Agency has announced that a broken oxygen generator aboard the space station has not been repaired and that it would probably not be fixed until September, when a U.S. space shuttle could bring a spare part.

Another generator is on the ship, but it is in a part of the station that was shut down to conserve power after the collision with the cargo vessel June 25.

To fix that generator, the crew may be forced to fashion a long extension cord and plug it into part of the station that still functions properly.

Until one of the two generators works, the crew will breathe air delivered Thursday in bottles from the Soyuz or burn special chemical "candles" that create oxygen.

There is a two months' supply of such candles on the ship, although the U.S. space officials and those here at Mission Control are not eager to rely on them as the principal source of oxygen.

The two new crew members will spend about a week working with the three men now on Mir. Then their colleagues will head back to Earth, leaving Mr. Foale on board.

On Aug. 20, the new crew is to begin the first of several repair missions on the part of the Mir, the Spektr module, that was damaged in the June accident. If that operation goes well, the team will begin on Sept. 3 an attempt to locate the hole in the Spektr module and repair it.

If the repair mission succeeds, Mir could remain in space for several more years.

Newsstand Prices			
Andorra	10.00 FF	Lebanon	LL 3,000
Antilles	12.50 FF	Morocco	16 Dh
Cameroon	1,600 CFA	Qatar	10.00 QR
Egypt	EE 5.50	Réunion	12.50 FF
France	10.00 FF	Saudi Arabia	10 SR
Gabon	1,100 CFA	Senegal	1,100 CFA
Italy	2,800 Lire	Spain	225 Ptas
Ivory Coast	1,250 CFA	Tunisia	1,250 Din
Jordan	1,250 JD	U.A.E.	10.00 Dh
Kuwait	700 Fils	U.S. Mil. (Eur.)	$1.20

Russians Are Laughing Again – at Themselves

Jokes Questioning Intelligence and Taste Ridicule New Rich

Sergei Kazpaldin/The Washington Post

At the Moscow Country Club outside the capital, a Russian gives his wife some tips.

By Daniel Williams
Washington Post Service

MOSCOW — Then there was the one about the newly rich Russian who had smashed his car in a terrible accident.

"Oh, my Mercedes! Oh, oh, my poor Mercedes!" he cries.

A passer-by notices that the man's arm is missing. "Your car? So what!" he says. "Take a look at your arm!" The rich Russian gazes at where his arm used to be, then moans, "Ohhhh, my Rolex!"

As Russia has changed rapidly in the past six years, so has its sense of humor. Once, the political joke held sway, the secret jest that jabbed at 70 years of repressive regimes.

Stalin, Nikita Khrushchev, Leonid Brezhnev — especially the doddering Brezhnev of his later years — and Mikhail Gorbachev were the butts of stories told over the kitchen table to close friends out of earshot of the secret police.

But the communist era ended, and so did the fear. Somehow, it seemed, making fun of politicians didn't have the same kick.

Or at least not the kick being supplied by the newest wave of humor here: jokes told at the expense of New Russians.

New Russians is the name given to the fabulously wealthy, incredibly showy and — the jokes imply — very dumb beneficiaries of Russia's wild brand of capitalism.

Newspapers print them, and published collections are sold at railroad station newsstands for easy reading on weekend trips. (One publisher uses the logo of a Golden Toilet to distinguish his New Russian joke books from others.) Housekeepers buy cassettes of recorded jokes to listen to while gardening or cooking.

"There's a desire to laugh at the rich and a desire to laugh at the easy money being made in Russia, even though only a few are making it," said Yevgeni Petrossian, a leading comedian. "It's a classic defense of the underdog."

Mr. Petrossian is the author of a collection of Russian jokes told through the years. He updated the sixth edition to include the New Russian series.

"I think the first one I heard — everyone has heard it — was about two New Russians meeting on the street," he said. "One says, 'Look at this tie I bought in New York. $1,500!' "

" 'What a fool!' answers the other. 'Here, you can get it for $2,000.' "

The transition from communist-era jokes to the era of democracy was anything but swift, Mr. Petrossian recalled. In 1992 and 1993, there were virtually no jokes. "Things were changing too fast, and times were too hard. No one knew what was funny or not," he said.

With the flowering of sudden wealth among the few, the New Russians emerged and provided an

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Resentful, Palestinian Police Resist Israeli Demands

By Douglas Jehl
New York Times Service

NABLUS, West Bank — By almost any measure, Colonel Sameh Kanan is exactly the sort of Palestinian on whom the Israeli authorities would have to depend to carry out any new wave of arrests of Islamic militants.

Colonel Kanan, a top official of the Palestinian preventive security force in the West Bank, speaks Hebrew and has cooperated with the Israelis on many previous cases. He is credited with saving dozens of Israeli lives by defusing a clash last fall between Israelis and Palestinians at Joseph's Temple in Nablus.

But since the suicide bombing in Jerusalem last week, this man, who is a top adviser to Colonel Jibril Rajoub, the director of preventive security in the West Bank, has not spoken to any of his counterparts in Israeli intelligence.

Nor, at least for now, do he or any of his colleagues have any intention of arresting suspected militants, the key action Israel is demanding before a resumption of the peace talks.

Indeed, just as Israel has pulled back from ties with the Palestinians on grounds that the Palestinian Authority has failed to honor a commitment to crack down on terrorism, these security officers are following a line of noncooperation laid down by the Palestinian leader Yasser Arafat since Israel announced a series of punitive measures in the wake of the suicide bombing.

In hours of conversations this week, Colonel Kanan and several other senior Palestinian officers expressed equal measures of resentment, despair and alarm at what they see as Israeli intransigence.

They also expressed their concern that making any arrests would further inflame ordinary Palestinians, who they say are already suspicious that Mr. Arafat has made too many concessions and that Israel has provided too few rewards.

"The people will not support such measures because the siege is in place and there is no peace process," said Colonel Ziad Habreih, the preventive

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The Dollar		
New York	Friday @ 4 P.M.	previous close
DM	1.8455	1.8686
Pound	1.5875	1.59
Yen	114.825	118.455
FF	6.2183	6.3028
The Dow		
	Friday close	previous close
-156.78	8031.22	8188.00
S&P 500		
change	Friday @ 4 P.M.	previous close
-17.65	933.54	951.19

AGENDA

North Korea Children Dying From Hunger, Unicef Says

New York Times Service

UNITED NATIONS, New York — About 80,000 children are in immediate danger of dying in North Korea from hunger and disease, and at least 800,000 more are also suffering malnutrition to a serious but lesser degree, Carol Bellamy, the executive director of Unicef said Friday.

Meanwhile, the effort by the United States, China and the two Koreas to set up peace talks broke off unexpectedly after failing to resolve differences over which topics those talks would cover. Page 5.

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An Unhappy Republican Plays His Tobacco Card

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The IHT on-line http://www.iht.com

Gerry Penny/Agence France-Presse

CARIBBEAN FEAT — Ato Boldon sprinting to victory Friday in the 200-meter final in Athens. Page 18.

Impoverished Isle Wants 'France for Everyone'

A Plea for Recolonization Comes From Africa

By Charles Trueheart
Washington Post Service

PARIS — Only days after announcing its latest plans to shrink its influence in its former African colonies, and after years of erosion in its standing on the Continent, France was confronted this past week by a knot of Africans who do not want to let go.

Thousands of citizens of Anjouan, one of three islands in the Federal Islamic Republic of the Comoros, off Africa's east coast, took to the streets there Sunday to demand what amounts to recolonization by France, which ruled the islands for nearly a century before they gained independence in 1975.

It was an odd spectacle in today's Africa. The French flag flew above the crowds massing in Mutsamudu, Anjouan's largest city. Bobbing above their heads were placards bearing a photograph of President Jacques Chirac and the legend, in French, "France for Everyone."

The demonstrations, described in news reports as reflecting the desires of a vast majority of Anjouan's 200,000 largely impoverished people, culminated in a declaration of independence by rebel leaders on the island and the establishment of a new provisional government headed by a 71-year-old Koranic scholar, Abdallah Ibrahim.

The new foreign minister of the breakaway island, Mohammed Abdou Madi, told reporters at a seaside café that demo-

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For Some Patients, Profit-Minded Psychiatric Care Was Nightmare

By Barry Meier
New York Times Service

DALLAS — A decade has passed since Kelly Stafford walked through the doors of the Brookhaven Psychiatric Pavillion here. But for her, the nightmarish days that followed are fixed forever.

She had agreed with her parents, as a 17-year-old, to enter the hospital, expecting a brief respite from troubled family relationships. But once the doors closed, Ms. Stafford said, she remained inside for 309 days, many of them behind blackened windows in cruel darkness.

At Brookhaven and other psychiatric hospitals operated by National Medical Enterprises, patients like Ms. Stafford said they had their arms or legs strapped down for months at a time. Others said they were forced to sit motionless and silent for 12-hour stretches. And a medieval-looking device called a "body net" was used to completely restrain some.

All this and more became widely known in 1993, when a task force of 600 federal agents swooped down on 20 National Medical facilities. A year later, the company's psychiatric subsidiary pleaded guilty to federal charges that it had paid kickbacks and bribes to doctors and others for patient referrals; the company paid $362.7 million in fines and penalties to settle various federal and state charges of health-care fraud.

National Medical, which was required as part of its guilty plea to sell its mental-health-care operations, has risen from the ashes of that debacle, installed new management and changed its name to Tenet Healthcare Corp.

But it is only in recent weeks that Tenet, now the second-largest chain of for-profit hospitals in the United States, has confronted the scope of the episode's human toll, paying $100 million to settle around 700 claims filed in two Texas courts by former psychiatric patients.

"I had to eat Thanksgiving and Christmas dinner in restraints," said Ms. Stafford, who now works as a model. "There's not a day that goes by that you don't think about it."

Those who entered places like Brookhaven, often as teenagers, faced problems ranging from depression to drug and alcohol abuse to suicidal impulses. In lawsuits, they charged that they had been effectively imprisoned — rather than treated and quickly released — as part of a scheme to exhaust their lucrative insurance policies.

For many mental-health professionals, National Medical came to symbolize an era when the cor-

See HOSPITAL, Page 4

U.S. Bolsters Korean Air Inquiry

By Mary Jordan
Washington Post Service

AGANA, Guam — U.S. investigators examining the crash of Korean Air Flight 801 increased their ranks to more than 100 workers Friday following criticism from South Korean families that the authorities had done too little to recover the remains of their loved ones.

The National Transportation Safety Board also announced that it had accounted for "about half" of the 254 passengers aboard the plane, including the 29 survivors. But nearly three days after the crash, the majority of the 225 victims have not been identified, and the conditions of some of the bodies, many of which were burned inside the plane, were so bad that one rescue worker said, "There is almost nothing left."

"We have more than 100 U.S. military personnel all over the mountain working in very hot, difficult and dangerous conditions," said Matt Furman, a board official. "They have not stopped working and will not stop working."

In a sign of how unusual this incident was, compared with the board's usual operations, Mr. Furman addressed about 300 family members through a Korean translator and stood beside a Buddhist altar with pots of incense and burning white candles. The smell of *hyang*, Korean funeral incense, filled the room. Many people cried, bracing themselves against the wall.

One man walked up to an investigator, who had arrived from New York to assist in the morgue, and said: "There were only three infants on the flight. Can't you find them?"

Hundreds of family members have flown in to this small South Pacific vacation spot to claim remains. Honoring and burying the dead is extremely important in Korean culture, and many South Koreans feel that the Americans do not fully understand that. They have shouted at U.S. officials here, claiming that they care more about finding the cause of the crash than about recovering bodies.

The National Transportation Safety Board allowed five South Koreans, selected as group leaders, to walk the grounds of the wreckage Friday. Many families had demanded to do that, and the board agreed to allow a few to enter the cordoned-off site. They were to explain the conditions — of both the remains and the hillside — to the rest of the families.

■ No Mechanical Defects Seen

Don Phillips of The Washington Post reported:

Korean Air Flight 801 apparently suffered no mechanical defects and simply flew into the ground with its landing gear down as if the crew was expecting to touch down on the airport runway any minute, according to sources close to the investigation.

Investigators who had a preliminary look at the plane's flight data recorder and heard the cockpit voice recorder have found no obvious mechanical reason why the plane crashed, the sources said.

The crew said nothing to indicate a problem nor did they say anything to indicate they knew they were about to hit the ground in the rainy darkness, the sources said. In fact, the crew was said to be unusually quiet. "There was nothing out of the ordinary," a source said.

The plane's ground-proximity warning system — which is designed to warn the crew loudly of approaching terrain and order "Pull up! Pull up!" — sounded at the last second, apparently too late for the crew to react, according to one source.

It will be weeks or months before the National Transportation Safety Board determines a cause of the crash, but aviation experts say the likelihood is growing that Flight 801 will be found to be a victim of the greatest killer in aviation worldwide: controlled flight into terrain, aviation jargon that means a good plane has been flown into the ground.

A safety board member, George Black, said in Guam on Thursday that the pilot appeared to have control of the jetliner until the end. "Controlled flight into terrain is usually an error on someone's part, and it does have all the earmarks of controlled flight into terrain," Mr. Black said on NBC's "Today" show.

Numerous other factors will be weighed in determining a probable cause, including poor visibility in heavy rain and possible pilot fatigue.

[Korean Air rejected suggestions Friday that pilot error or the crew's lack of experience caused the crash, Agence France-Presse reported from Seoul. "We will strongly deal with any groundless suggestions that hurt our image," a spokesman said.

[The airline repeated its theory that bad weather, faulty equipment and limited facilities in Guam contributed to the disaster. It defended the plane's crew, saying they were familiar with the terrain in Guam.]

Jason Reed/Reuters

ALMS FOR THE WIDOWED — Wives of fallen Afghan fighters begging Thursday at a mosque in Gulbahar.

U.S. Opens Offensive to Lower UN Dues

By Barbara Crossette
New York Times Service

UNITED NATIONS, New York — Bill Richardson, the U.S. ambassador to the United Nations, will start a round-the-world trip Monday to try to persuade key countries to accept reduced U.S. payments to the organization.

He also will promote a Clinton administration proposal to enlarge the Security Council by adding Japan, Germany and three developing countries as permanent members, raising its membership to 20 from 15, and the number of permanent members to 10 from five.

Developing nations would compete for those three permanent seats.

The issue of reduced U.S. payments to the United Nations, a congressional prerequisite for releasing money to pay any of the debt of more than $1 billion that Washington owes, is a contentious one among diplomats here.

A new payment scale, requiring action by the 185-member General Assembly, means that a number of other nations will have to pick up the shortfall and agree to higher assessments.

China, which pays less than 1 percent of the UN budget, will be one of Mr. Richardson's targets. Many nations believe that the Chinese economy has grown enough to make a higher assessment reasonable.

Washington now pays 25 percent of the UN's general budget, based on Washington's share of the world economy. An agreement between Congress and the administration calls for a reduction to 20 percent over three years.

Mr. Richardson said Friday that his trip will focus primarily on Asia, with additional stops in Russia, Georgia, Ukraine and France. In Asia, he plans to visit South Korea, Japan, China, Tajikistan, Kazakstan and Uzbekistan.

The stops in Central Asia are being made at the request of Vice President Al Gore, Mr. Richardson said.

"Vice President Gore requested that I journey to Central Asia to enhance our bilateral ties, as well as demonstrate support for these nations," he said, uncharacteristically reading from a prepared statement.

He said that among the topics he would discuss with Central Asian leaders were regional trade and security, the environment and the continuing war in Afghanistan, where the United Nations is attempting to start talks between the Islamic Taleban movement, which controls most of the country, and the forces of the government it ousted, which are now pressing toward Kabul from the north.

Mr. Richardson said Friday that the compromise plan the Clinton administration negotiated with Congress that would allow the United States to begin paying its back dues is still open to adjustment. The plan is stalled because of efforts in the House to link it to a cutoff of all aid to countries or organizations that support abortion as a form of birth control.

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THE INTERMARKET

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BRIEFLY

Stockholm Stadium Bombed

STOCKHOLM — A powerful explosion destroyed the press gallery of Stockholm's Olympic Stadium on Friday morning, causing no injuries but fueling speculation of a conspiracy against the city's bid for the 2004 Olympics.

Fires have occurred at seven other sports venues around the Swedish capital since May, as well as at the home of the Stockholm 2004 Foundation president Ingvar Carlsson, a former prime minister. But the police have said there are no direct links between the incidents and the Olympic campaign.

"We have not received any threats, neither written nor verbal," said Claes Cassel, a police spokesman. The blast Friday was caused by "some form of explosive," he added, but gave no other details about it.

"The press gallery has been basically destroyed and there is a risk of collapse," he said. "All of the windows have been blown out."

The stadium, home to the 1912 Olympics, is to be the site of a large party on Sept. 5, when the winning city for the 2004 Games is announced. Athens, Buenos Aires, Rome and Cape Town are also in the running.

In a statement issued Friday, the president of the company running the Olympic bid, Olof Stenhammar, said that "rumors surfacing during the night that the bomb at the stadium was placed by a competing city are unfounded." *(AFP)*

Cypriot Rivals to Resume Talks

NICOSIA — Greek Cypriot and Turkish Cypriot leaders resume talks Monday following steps toward partial integration of the northern portion of the divided island with Turkey.

The meeting in Montreux, Switzerland, between the president of Cyprus, Glafkos Klerides, and the Turkish Cypriot leader, Rauf Denktash, is the second round of UN-sponsored talks aimed at reuniting the island under a bizonal, bicommunal federation.

Last month, Turkey and the Turkish Cypriots announced that they would move toward partial integration to counter the European Union's decision to start membership talks with the recognized government of Cyprus.

Gustave Feissel, the United Nations representative in Cyprus, said Friday that the Turkish move was "obviously" not helpful, but that "everybody has agreed that what we are seeking is in terms of an overall settlement: one country, a federation, bicommunal, bizonal." *(Reuters)*

No Wanted Nazis on Bank List

STUTTGART — Germany's center for the investigation of Nazi crimes has found no trace of anyone still wanted for wartime atrocities on the list of dormant Holocaust-era accounts published by Swiss banks.

Willi Dressen, the head of the Ludwigsburg-based center, said Friday that his staff had checked the 2,000 names on the list against their own files. "We have not found anyone with the same name as people who are wanted," he said.

The Los Angeles-based Simon Wiesenthal center said after the banks published their list last month that it may include several members of Adolf Hitler's elite.

Mr. Dressen said that 150 to 200 names in the center's files could match those on the banks' lists, but they were not those of wanted people or suspects.

He said that, while some names matched, this was no guarantee that people on the list were the same as those on his files. Many of the names were very common. *(Reuters)*

TRAVEL UPDATE

6 Strikers Are Arrested in Nairobi

NAIROBI (Reuters) — Six air traffic controllers were said to have been arrested after threatening to continue a "go slow" action at Nairobi airport only hours after their colleagues had agreed to end a wage dispute with the government.

"Six air traffic controllers were arrested late yesterday afternoon, and since then many controllers have not turned up out of fear of being arrested," a controller said Friday.

He said he not had been arrested because he had not signed a letter with other controllers who had wanted to continue the go-slow and push their demands for better pay and working conditions.

Portuguese Pilots Renew Protest

LISBON (Reuters) — Pilots at the struggling Portuguese state airline TAP-Air Portugal have agreed to resume a selective strike indefinitely starting Saturday after talks with management over working hours failed.

"The decision to maintain the stoppages of nonscheduled flights was approved by the great majority of pilots," Angelo Felgueiras, vice-president of the pilots' union, said at a news conference.

He said 257 pilots voted at a meeting Thursday night to continue the strike, 15 voted against and 10 abstained.

The Louvre Museum is offering cut rates to people under the age of 26 during the summer — a season ticket for 50 francs (about $8) that offers entry to exhibitions and collections as often as one desires. A one-visit ticket is 45 francs. *(AFP)*

The authorities in Nice began to hand out free beach ashtrays to bathers at the Riviera resort. The pyramid-shaped ashtrays, made of cardboard lined with aluminum, are disposable and can be used for other kinds of waste, such as bottle tops. *(AFP)*

Thousands of travelers were stranded in Manila and several cities in the southern Philippines as militant groups staged a transport strike to protest rising oil prices *(AFP)*

Tourism to Macau fell sharply in the first half of 1997, according to figures released by the government, as the territory's casino tycoon, Stanley Ho, predicted that a wave of violence between criminal gangs that has been blamed for the slump would end by September. *(AFP)*

The latest eruption from the Soufriere Hills volcano on Montserrat was weaker than previous outbursts, but the authorities warned of possible intensified activity. No decision had yet been made on evacuating 5,500 people living in the northern third of Montserrat to nearby islands. *(AFP)*

RELIGIOUS SERVICES

AMSTERDAM

CROSSROADS INTERNATIONAL CHURCH Interdenominational & Evangelical Sunday Service 10:00 a.m. & 11:30 a.m./ Kids Welcome. De Cuserstraat 3, S. Amsterdam Info. 020-641 8812 or 020-6451 653.

FRANKFURT

English Speaking International Catholic Parish, St Leonhard, Alte Mainzer Gasse 8, 60311 Frankfurt, Germany. Tel/Fax 069-283177, Mass schedule: Saturday 5 p.m., Sunday: 10 a.m. Confessions: 1/2 hour before Mass.

FRANCE/TOULOUSE

HOPE INTERNATIONAL CHURCH (Evangelical). Sunday 6:30 p.m. Le Grand Noble Hotel, 90 av. de Cornebarrieu, Blagnac. Tel.: 05 62 74 11 55.

FRENCH RIVIERA/CÔTE D'AZUR

NICE: Holy Trinity (Anglican), 11 rue Buffa. Sun. 11: **VENCE:** St Hugh's, 22, av. Résistance. 9 a.m. Tel: 33 04 93 87 19 83.

MONTE CARLO

MONACO CHRISTIAN FELLOWSHIP Worship Service, Sundays: 11 a.m. 9, rue Louis Notary, Monte Carlo. Tel.: 377 92 16 56 47.

PARIS and SUBURBS

EMMANUEL BAPTIST CHURCH - 56, rue des Bons-Raisins, 92500 Rueil-Malmaison. Summer Schedule: 9:45 Worship, 11:00 Coffee Hour. For more info call 01 47 51 29 63 or check: *http:/www.geocities.com/Paris/Metro/1352.*

HOPE INTERNATIONAL CHURCH Hotel Orion at Paris-la-Défense, 8 bd. de Neuilly. Worship Sundays. 9:30 a.m. Rev. Douglas Miller, Pastor. T.: 01 43 33 04 06 Metro 1 to la Defense Esplanade.

SAINT JOSEPH'S CHURCH (Roman Catholic). MASS IN ENGLISH: Sat. 6:30 p.m.; Sun. 10 a.m., 12 midday, 6:30 p.m. 50, avenue Hoche, Paris 8th. Tel. 01 42 27 28 56. Metro: Charles de Gaulle - Etoile.

RELIGIOUS SOCIETY OF FRIENDS (QUAKERS). Unprogrammed (silent) meeting for worship, Sundays 11 a.m. Centre Quaker International, 114 bis, rue de Vaugirard, 75006 Paris. All Welcome. +33 01 45 48 74 23.

TOKYO

ST. PAUL INTERNATIONAL LUTHERAN CHURCH, near Ichabashi Stn. Tel.: 3261-3740. Worship Service: 9:30 a.m. Sundays.

TOKYO UNION CHURCH, near Omotesando Subway Sta. Tel: 3400-0047. Worship Services: Sunday - 8:30 & 11:00 a.m., SS at 9:45 a.m.

SWITZERLAND

BASEL CHRISTIAN FELLOWSHIP English-Speaking non-denominational. Tel. +41 61 302 1674. Sundays 10:30 Mittlere Strasse 13, CH-4056 Basel.

ZURICH-SWITZERLAND

ENGLISH-SPEAKING CATHOLIC MISSION; St. Anton Church, Minervastraße 69 Sunday Mass: 8:30 a.m. & 11:30 a.m. Services held in the crypt of St. Anton Church.

USA

If you would like a free Bible course by mail, please contact: L'EGLISE de CHRIST, P.O. Box 513, Staunton, Indiana 47881 U.S.A

THE EPISCOPAL CHURCHES OF EUROPE (Anglican)

PARIS and SUBURBS

THE AMERICAN CATHEDRAL OF THE HOLY TRINITY, Sun. 9 & 11 a.m., 10:45 a.m. Sunday School for children and Nursery care. Third Sunday 5 p.m. Evensong 23, avenue George V, Paris 75008. Tel.: 33-01 53 23 84 00 Metro: George V or Alma Marceau.

FLORENCE

ST. JAMES' CHURCH, Sun. 9 a.m. Rite I & 11 a.m. Rite II. Via Bernardo Rucellai 9, 50123, Florence, Italy. Tel.: 39/55 29 44 17.

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CHURCH OF CHRIST THE KING (Episcopal/Anglican) Sun. Holy Communion 9 & 11 a.m. Sunday School and Nursery 10:45 a.m. Sebastian Rinz St. 22, 60323 Frankfurt, Germany. U1, 2, 3 Miquel-Allee. Tel: 49/69 55 01 84.

GENEVA

EMMANUEL CHURCH, 1st & 3rd Sun. 10 a.m. Eucharist; 2nd & 4th Sun. Morning Prayer. 3 rue de Monthoux, 1201 Geneva, Switzerland. Tel.: 41/22 732 80 78.

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THE CHURCH OF THE ASCENSION, Sun 11:45 a.m. Holy Eucharist and Sunday School. Nursery Care provided. Seybothstrasse 4, 81545 Munich (Harlaching), Germany. Tel.: 49/89 64 81 85.

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THE CHURCH OF ST. AUGUSTINE OF CANTERBURY, Sun. 10 a.m. Family Eucharist. Frankfurter Strasse 3, Wiesbaden, Germany. Tel.: 49/611.30.66.74.

EUROPEAN BAPTIST CONVENTION

BERLIN

I.B.C., BERLIN. Rothenburg Str. 13, (Steglitz). Sunday, Bible study 10.45, worship Service 12.00 noon. Charles Warford, pastor. Tel.: 030-774-4670.

BREMEN

I.B.C., Hohenlohestr. Hermann-Bose-Str. Worship Sun. 17:00. Pastor telephone: 0421-78 648.

BUCHAREST

I.B.C., Strada Popa Rusu 22. 3:00 p.m. Contact Pastor Mike Kemper, Tel. 312 3860.

BUDAPEST

I.B.C., meets at Morics Zsigmond Gimnazium, Torokvesz ut 48-54, Sun. 10:00. Tel. 250-3932.

BULGARIA

I.B.C., World Trade Center, 36, Drahan Tzankov Blvd. Worship 11:00. James Duke, Pastor. Tel.: 668 666.

FRANKFURT

INTERNATIONAL CHRISTIAN FELLOWSHIP, Ev.-Freikirchliche Gemeinde, Sodenerstr. 11-18, 65130 Bad Homburg. Sunday Worship, Nursery & SS: 11:20 A.M. Mid-week ministries. Pastor M.Levey. Call/Fax: 06173-62728.

BETHEL I.B.C. Am Dachsberg 92 (English). Worship Sun. 11:00 a.m. and 6:00 p.m. Tel.: 069-549559.

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NICE - FRANCE

I.B.C. 13 rue Vernier, English service. Sunday evening 18:30, pastor Roy Miller - Tel.: (04 93) 32 05 96.

PRAGUE

I.B. FELLOWSHIP, Vinohradska # 68, Prague 3. Sun. 11:00. Tel.: (02) 311 7974.

WATERLOO

WATERLOO BAPTIST FELLOWSHIP Sun. 19:00 at Swedish Church, across from MacDonalds, Tel.: (02) 353 1585.

ZURICH - SWITZERLAND

I.B.C of Zürich, Gheistrasse 31, 8803 Rüschlikon, Worship Services Sunday mornings 10:30. Tel.: 1-4810018.

ASSOC. OF INT'L CHURCHES

BERLIN

AMERICAN CHURCH IN BERLIN, cor. of Clay Allee & Potsdamer Str., S.S. 9:30 a.m., Worship 11 a.m. Tel.: 030-8132021.

GENEVA

EV. LUTHERAN CHURCH 20 rue Verdaine. Sunday worship 9:30, in German 11:00 in English. Tel: (022) 310.50.89.

JERUSALEM

LUTHERAN CHURCH of the Redeemer, Old City, Muristan Rd. English worship Sun. 9 a.m. All are welcome. Tel.: (02) 6281-049.

PARIS

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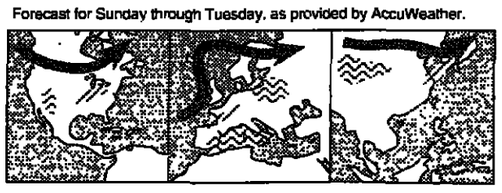
ZURICH

INTERNATIONAL PROTESTANT CHURCH English speaking, worship service, Sunday School & Nursery, Sundays 11:30 a.m., Schanzengasse 25. Tel.: (01) 2625525.

WEATHER

Forecast for Sunday through Tuesday, as provided by AccuWeather.



Jetstream · Unseasonably Cold · Unseasonably Mild · Heavy Rain · Heavy Snow

North America

Very warm and humid in New York, Sunday and Monday, but thunderstorms are possible Tuesday. Showers and thunderstorms may bring some heavy downpours from Missouri into the Ohio Valley. Continued hot and dry across much of the West, but thunderstorms will be over the southern Rockies

Europe

Sunny and quite warm from Poland and Belarus on north into Scandinavia Sunday through Tuesday. London and Paris will have some sunshine Sunday, but showers and thunderstorms are likely Monday. Tuesday will turn out sunny and nice. Sunny and very warm in Madrid and Rome

Asia

Typhoon Tina may bring heavy rains and high winds across Korea Sunday, heavy rains are also possible along the coast of China near Shanghai. Beijing will be very warm to hot with just the chance of a thunderstorm, while Hong Kong will be humid with a shower likely each day

Europe

	Today High C/F	Today Low C/F	Tomorrow High C/F	Tomorrow Low C/F
Algarve	24/75	16/61 pc	23/73	16/61 pc
Amsterdam	28/82	19/66 s	29/84	20/68 s
Ankara	28/82	13/55 pc	29/84	13/55 c
Athens	30/86	22/71 pc	30/86	21/70 pc
Barcelona	29/84	21/70 s	27/80	20/68 pc
Belgrade	28/82	13/55 pc	26/79	14/57 sh
Berlin	26/79	17/62 pc	30/86	17/62 s
Brussels	29/84	18/64 s	30/86	19/66 s
Budapest	28/82	14/57 pc	26/79	14/57 c
Copenhagen	26/79	16/61 s	26/79	16/61 c
Costa Del Sol	29/84	22/71 pc	28/79	16/61 pc
Dublin	21/70	14/57 sh	24/75	18/64 sh
Edinburgh	21/70	10/61 r	24/75	17/62 pc
Florence	33/91	16/61 s	30/86	15/59 s
Frankfurt	26/79	15/59 pc	27/80	15/59 s
Geneva	29/84	14/57 c	32/89	17/62 s
Helsinki	25/77	14/57 s	25/77	14/57 pc
Istanbul	27/80	19/66 pc	24/75	17/62 sh
Kiev	23/73	12/53 pc	23/73	13/55 pc
Las Palmas	24/75	18/64 s	24/75	19/66 s
Lisbon	23/73	16/61 pc	21/70	15/59 pc
London	28/82	18/64 s	28/82	18/64 s
Madrid	35/97	19/66 pc	27/80	14/57 pc
Mallorca	33/91	21/70 pc	32/89	21/70 c
Milan	31/88	17/62 s	31/88	18/64 s
Moscow	22/71	12/53 pc	23/73	12/53 pc
Munich	23/73	11/52 pc	24/75	13/55 pc
Nice	31/88	22/71 s	28/82	22/71 s
Oslo	25/77	16/61 c	26/79	15/61 pc
Paris	28/82	17/62 s	31/88	17/62 s
Prague	26/79	13/55 pc	27/80	13/55 pc
Reykjavik	10/50	6/43 pc	13/55	9/48 pc
Riga	24/75	16/61 pc	24/75	18/61 pc
Rome	32/89	18/64 s	29/84	19/61 s
St Petersburg	24/75	17/62 pc	25/77	17/62 pc
Stockholm	24/75	18/61 s	23/73	17/62 c
Strasbourg	30/86	17/62 s	31/88	17/62 s
Tallinn	24/75	18/61 pc	24/75	15/59 pc
Tbilisi	31/88	17/62 pc	33/91	21/70 s
Venice	27/80	16/61 pc	27/80	17/62 s
Vienna	26/79	14/57 pc	29/84	13/55 s
Warsaw	23/73	12/53 pc	28/82	14/57 s
Zurich	28/82	14/57 pc	27/80	16/61 s

Middle East

Abu Dhabi	40/104	29/84 s	43/109	29/84 s
Beirut	29/84	23/73 s	29/84	21/70 s
Cairo	34/93	20/68 s	35/95	21/70 s
Damascus	36/97	12/53 s	37/98	14/57 s
Jerusalem	28/82	14/57 s	29/84	15/59 s
Luxor	42/107	21/70 s	42/107	22/71 s
Riyadh	42/107	25/77 s	43/109	26/79 s

North America

	Today High C/F	Today Low C/F	Tomorrow High C/F	Tomorrow Low C/F
Anchorage	18/64	13/55 sh	19/66	12/53 sh
Atlanta	27/80	20/68 t	29/84	21/70 pc
Boston	30/86	17/68 pc	30/86	19/66 pc
Chicago	28/82	19/66 pc	28/82	17/62 sh
Dallas	33/91	23/73 t	34/93	23/73 pc
Denver	30/86	13/55 pc	31/88	14/57 pc
Detroit	27/80	19/66 sh	27/80	16/61 sh
Honolulu	31/88	22/71 s	31/88	23/73 pc
Houston	34/93	24/75 pc	34/93	23/73 t
Los Angeles	29/84	16/61 pc	29/84	16/61 pc
Miami	32/89	26/79 t	33/91	26/79 t
Minneapolis	28/82	16/61 t	24/75	14/57 pc
Montreal	29/84	14/57 pc	27/80	18/64 t
Nassau	32/89	24/75 s	30/86	24/75 pc
New York	27/80	21/70 s	30/86	21/70 s
Orlando	31/88	23/73 t	32/91	23/73 t
Phoenix	39/102	27/80 t	40/104	27/80 pc
San Fran	22/71	13/55 pc	23/73	14/57 pc
Seattle	27/80	13/55 s	26/79	14/57 pc
Toronto	28/82	17/62 s	27/80	18/61 sh
Vancouver	20/68	12/53 pc	24/75	17/62 pc
Washington	31/88	23/73 s	32/89	21/70 pc

Asia

	Today High C/F	Today Low C/F	Tomorrow High C/F	Tomorrow Low C/F
Almaty	34/93	17/62 s	33/91	16/61 s
Bali	29/84	19/66 s	29/84	19/66 s
Bangkok	35/95	24/75 t	31/88	25/77 t
Beijing	33/91	21/70 s	33/91	25/77 s
Bombay	29/84	25/77 t	29/84	25/77 t
Calcutta	32/89	25/77 t	31/88	24/75 c
Chiang Mai	31/88	24/75 t	27/80	24/75 t
Colombo	29/84	24/75 pc	29/84	24/75 c
Hanoi	32/89	27/80 t	30/86	26/79 t
Ho Chi Minh	32/89	23/73 pc	32/89	23/73 pc
Hong Kong	31/88	26/79 sh	31/88	25/77 c
Islamabad	41/106	27/80 s	41/106	28/84 s
Jakarta	31/88	22/71 pc	30/86	22/71 pc
Karachi	32/89	26/79 pc	31/88	26/79 pc
K. Lumpur	31/88	23/71 pc	31/88	23/73 pc
K. Kinabalu	31/88	23/71 pc	31/88	23/73 pc
Manila	31/88	23/73 pc	30/86	23/73 pc
New Delhi	36/97	27/80 pc	38/100	27/80 pc
Phnom Penh	32/89	23/73 sh	32/89	23/73 c
Phuket	32/89	24/75 r	31/88	25/77 t
Pyongyang	29/84	23/73 t	28/82	23/73 r
Seoul	32/89	22/71 c	30/86	21/70 c
Shanghai	32/89	29/84 t	31/88	26/79 c
Singapore	30/86	24/75 pc	30/86	24/75 pc
Taipei	33/91	27/80 r	33/91	26/79 pc
Tokyo	31/88	27/80 pc	32/89	27/80 c
Vientiane	29/84	22/71 r	28/82	22/71 r

Africa

Algiers	36/97	22/71 pc	37/98	22/71 s
Cape Town	16/61	6/43 pc	13/55	6/43 pc
Casablanca	25/77	18/64 pc	22/71	17/62 pc
Harare	23/73	10/50 s	22/73	11/52 s
Lagos	27/80	22/71 c	27/80	22/71 c
Nairobi	23/73	9/48 pc	23/73	10/50 pc
Tunis	41/106	23/73 s	35/95	21/70 s

Latin America

Buenos Aires	20/68	8/46 s	20/68	11/52 s
Caracas	27/80	18/64 c	26/79	19/66 t
Lima	21/70	16/61 pc	19/66	16/61 pc
Mexico City	27/80	12/53 pc	29/73	13/55 c
Rio de Janeiro	21/70	15/59 sh	18/64	14/57 pc
Santiago	26/79	8/46 s	23/73	8/46 pc

Oceania

Auckland	12/53	9/48 pc	13/55	9/48 sh
Sydney	15/59	5/41 s	16/61	7/44 s

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, Hce, W-Weather. All maps, forecasts and data provided by AccuWeather, Inc. © 1997

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Lugar Spices Up the Helms-Weld Fracas, Tossing Tobacco Into the Mix

By Lizette Alvarez
New York Times Service

WASHINGTON — Senator Richard Lugar has raised the stakes in the battle over William Weld's nomination as U.S. ambassador to Mexico, threatening to make trouble for Senator Jesse Helms's tobacco interests if his fellow Republican does not call a committee hearing and permit a vote.

It was the second time in a week that Mr. Lugar, chairman of the Agriculture Committee and the second-ranking Republican on the Senate Foreign Relations committee, criticized Mr. Helms's handling of Mr. Weld's nomination.

The senator from Indiana, who said Sunday that he might force a hearing on Mr. Weld, suggested Thursday that he might make his displeasure known in Agriculture Committee hearings relating to the recent settlement between tobacco companies and the government.

The committee is expected to grapple with the settlement's adverse impact on tobacco farmers and on price-support programs.

Mr. Helms, the second-ranking Republican on the Agriculture Committee, represents North Carolina, a large tobacco producing state.

"I must take the measures that would be uncharacteristic, at least of my normal mood and demeanor in these situations, and I'm prepared to do that," Mr. Lugar said to a group of reporters. "And I'm doing it now. Most people are still writing stories that no one is objecting to Senator Helms. And I am, diplomatic or not, objecting."

Noting that he had not "catalogued" what measures he would take, Mr. Lugar, a longtime tobacco foe, said he was simply trying to get a message across.

"I was trying to make a point that I am chairman of the Agriculture Committee," he said. "That may have limited jurisdiction. The one thing it does talk about from time to time is tobacco."

"In my own way, I have been attempting to indicate to Senator Helms for some time that there are parameters to what is permissible," Mr. Lugar added.

Marc Thiessen, Mr. Helms's spokesman on foreign relations matters, called Mr. Lugar's comments "a puzzling suggestion."

"Senator Helms would never suggest doing anything harmful to farmers in Indiana," Mr. Thiessen said. "And we would be quite surprised if the senator in the end took action that would be harmful to tens of thousands of farmers in North Carolina over an extraneous issue."

As chairman of the Foreign Relations Committee, which he took over in 1987 after pulling rank to bump Mr. Lugar out of the position, Mr. Helms has the prerogative of refusing to hold hearings on a nomination, and he has used it often to further his conservative ideology.

Contending that Mr. Weld is soft on drugs, Mr. Helms says he does not think the former Republican governor of Massachusetts is qualified for the post in Mexico, where curtailing drug trafficking is of paramount importance to the federal government.

Mr. Weld, who favors legalizing marijuana for medicinal purposes, as well as needle exchange programs for drug users, counters that the senator is a rightist ideologue who is blocking his nomination because he disapproves of Mr. Weld's brand of Republicanism.

A moderate who supports abortion rights and gay rights, Mr. Weld has decided to remain in the running for ambassador to Mexico, refusing Mr. Helms's proffer of another country, India, as a more suitable posting.

This has fueled speculation that Mr. Weld is perhaps interested in something beyond the post of ambassador. Some Republicans, Mr. Lugar said, are convinced that the job of ambassador "is less his objective than a run for the presidency."

The White House has said that it will continue to fight for Mr. Weld's nomination but that it will not directly challenge Mr. Helms's decision.

Mr. Lugar, however, said he would try to see to it that Mr. Helms followed procedure. Although he has not made a decision on whether to support Mr. Weld's nomination, Mr. Lugar said that was beside the point.

What is important, Mr. Lugar said, is that Mr. Helms allow the hearings to move forward so committee members, and if need be, the full Senate can vote on the matter.

"I'm not going around Senator Helms," he said. "All I'm saying is that in a democracy, you have a show of hands at some point, and I would like to see that in the committee."

Mr. Lugar was clearly upset at Mr. Helms's leadership style.

"Senator Helms wins frequently because he is the most adamant and the most constant in his opposition," he said. "Even if other senators are inconvenienced, or Republicans not at all served, he gets what he wants by doing what he does. I think most people that I know in public life try to work things out because we want to see things happen of a constructive nature."

Jobless Argentines Turn to a Saint

By Calvin Sims
New York Times Service

Hans Hamm/Agence France-Presse

An old woman praying to St. Cayetano, Argentina's patron saint of bread and work.

BUENOS AIRES — Unable to feed his family after losing his job as a welder last year, Roberto Fuentes went to church to petition St. Cayetano, the patron saint of bread and work.

But Mr. Fuentes had to wait in line, a rather long line stretching 15 city blocks with more than 1 million Argentines who also came to pay homage to St. Cayetano, a 16th-century priest who used his family fortune to help the poor of Naples.

After waiting 18 hours through a freezing winter night, Mr. Fuentes, 32, burst into tears and walked on his knees Thursday as he entered St. Cayetano Sanctuary on the outskirts of Buenos Aires.

"As it was in your day, St. Cayetano, the government ignores those in need," Mr. Fuentes said, kneeling before a statue of the saint. "We are hungry, we are cold, we are suffering. All we have is you, saint."

It was a scene repeated over and over, with attendance hitting a record Thursday as the 1 million-plus petitioners passed through the church, according to police estimates.

Upon seeing the small statue of St. Cayetano, which cradles a baby Jesus in its arms, many people gasped aloud, crossed themselves, or prayed loudly holding rosaries.

Some people kissed or placed their hands on the glass encasing the statue. An elderly woman fainted at the foot of the statue, but was revived by Red Cross workers who said that she had forgotten to eat during the nine hours she waited in line.

Church officials said the huge pilgrimage was an extraordinary outpouring of faith and proof that Roman Catholicism was still relevant in Argentina despite the recent growth of Protestantism and sects.

But critics of President Carlos Saul Menem's government said the large turnout reflected just how desperate Argentines have become after suffering years of record unemployment and declining salaries in a country that was accustomed to cradle-to-grave employment.

The jobless rate in Argentina has more than doubled since Mr. Menem came to power in 1989, making it the top issue for mid-term elections in Congress in October. His reforms have brought stability to an economy once plagued by runaway inflation, but the opening of closed markets and sale of state-owned businesses have put millions out of work.

While the unemployment rate in the first quarter declined to 16.1 percent from 17.3 percent in the first quarter of 1996, tens of thousands of Argentines up and down the country are continuing to block roads and stage demonstrations to protest the government's economic program.

"Putting an end to Menemism is the only way we can move forward," said Carlos Santillanhe, head of the government workers' union. "Menem has brought Argentina only more hunger, more unemployment and more desperation."

Mr. Menem has dismissed the protests as "subversion."

Church officials said that the government's attitude perhaps explains why the number of Argentines who came to honor St. Cayetano was large this year.

"Argentines are an intelligent people and they know where to go when they need help, especially material things," said Father Fernando Maletti, who oversees St. Cayetano Sanctuary. "They know when it's appropriate to block roads, or to knock on the door of a government agency, or to go to church and ask God or the saints for what they need."

POLITICAL NOTES

White House Aides Caution on Line Veto

WASHINGTON — After President Bill Clinton declared his eagerness to strike special-interest provisions from the balanced-budget legislation he signed this week, some of his top advisers have expressed misgivings about using the new line-item veto powers now.

Mr. Clinton lobbied aggressively for the line-item veto, and White House officials said they had narrowed the list of provisions that might warrant a veto to about five tax measures and one or two spending items.

But a meeting of the president and senior members of his economic and political team ended Thursday without their reaching any firm conclusions, officials said. They said the deliberations would probably continue over the weekend. They are cautious apparently because officials believe the line-item veto will be challenged in court the first time it is used. *(WP)*

Clinton Fund-Raiser

WASHINGTON — President Clinton said this past week that he was proud of the Democratic Party's fund-raising, and then he drove the point home by trying to bring in $650,000. That was the total the Democratic National Committee thought it would take in from about 100 contributors at two fund-raisers held Thursday night at a Washington hotel. Mr. Clinton was the star attraction at both events.

At one fund-raiser, at the Mayflower, Mr. Clinton was expected to raise $350,000 from business and union leaders that belong to the Democratic Business Council, said Melissa Bonney, spokeswoman of the Democratic National Committee.

Later, Mr. Clinton moved to a nearby salon for another event that was expected to raise $300,000 for the party. *(WP)*

Did First Lady Call?

WASHINGTON — The Democratic Party prepared a list of 11 prospective fund-raising calls for Hillary Rodham Clinton last year, but the White House said the first lady did not remember making them.

The Democratic National Committee prepared 11 "call sheets" for Mrs. Clinton, the party spokesman Steve Langdon said. The information was turned over to the Senate Governmental Affairs Committee, which is conducting hearings on campaign fund-raising abuse.

Mrs. Clinton "doesn't have any recollection of being asked to, or having made, any fund-raising calls," her spokeswoman, Marsha Berry, said Thursday. *(AP)*

A California Budget

SACRAMENTO, California — Governor Pete Wilson and legislative leaders have announced an end to California's second-longest budget deadlock, predicting that the final $68 billion spending plan would be put to a vote Monday in the legislature.

Assembly Democrats have not been happy with the pared-down budget, which lacks funding for many programs they had hoped to create.

But emerging late Thursday from a private meeting with assembly Democrats, Speaker Cruz Bustamante Democrat of Fresno, said, "Yes, we have a deal." *(LAT)*

Quote/Unquote

Malcolm Sparrow, a lecturer at Harvard's Kennedy School of Government and author of "License to Steal: Why Fraud Plagues America's Health Care System," on rampant fraud in Medicare, which the government says averages 14 cents of every dollar spent on the government program: "If you bill correctly, you're free to lie." *(WP)*

Away From Politics

• **Capping a bitter three-year legal battle,** attorneys have announced a $4.3 million settlement in a lawsuit that accused officials of the Chicago suburb of Addison, Illinois, of attempting to wipe out two predominantly Hispanic neighborhoods by declaring them blighted and clearing them for urban renewal. Eight buildings were razed and three others were emptied of residents and boarded up, forcing 44 families to move before the lawsuit halted plans to install more expensive homes. *(AP)*

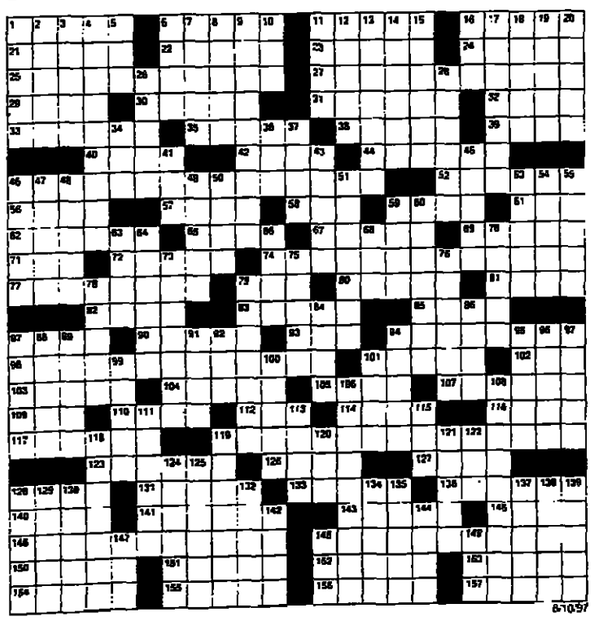
• **Health care reforms encouraging second opinions** and alternative treatments may have helped level off the rate of hysterectomies in the United States from 1988 to 1993, the federal Centers for Disease Control and Prevention said. *(AP)*

• **The attorneys for Mir Aimal Kansi,** a Pakistani charged with killing two people outside the CIA headquarters at Langley, Virginia, in 1993, contended in a motion that the state prosecutor had demonstrated in a television interview in June that he may be biased against Pakistanis and should be removed from the case. *(WP)*

• **The multibillion-dollar Cassini probe to Saturn** scheduled for launching on Oct. 6, may be delayed because of leaks discovered in the Titan 4B launch vehicle when it was fueled, the National Aeronautics and Space Administration said. *(AP)*

• **State and federal authorities increased prison capacity** by 41 percent in the five years through 1995, to a total of 976,000 beds, in part by building 213 prisons. Nevertheless, the inmate population grew faster, at 43 percent, to 1,024,000, the Justice Department said. *(WP)*

MIXED GREENS By Nancy Nicholson Joline



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ACROSS
1 Buzzing
6 Billiard stroke
11 Name in computer software
16 Hinder
21 Oscar Madison's secretary
22 Hero of the first opera written for TV
23 Ain't right?
24 Leaf
25 GREEN
27 GREEN
29 Bank deposit
30 Keep for oneself
31 Concert finale
32 — League
33 Kansas city
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38 Subjects of modern mapping
39 Bitty's partner
40 V-chips block it
42 Column couple
44 Trojan War figure
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52 Corsair and Citation, for two
56 —-à-porter
57 Feature of Roy Lichtenstein's art
58 Genealogist's abbr.
59 Eastern attire
61 Dit's partner
62 Come to
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67 Novarro of silents
69 City on the Mohawk
71 *Jimmy Dorsey's* "— Mine"
72 Watering holes
74 GREEN
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80 Stretch
81 *Colleen*
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87 Lhasa —
90 *Beethoven's* "Choral" Symphony
93 Service station offering
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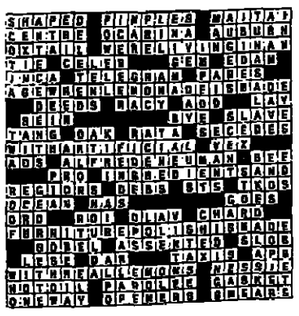
98 GREEN
101 Commencement
102 Voyage preceder
103 1993 N.B.A. Rookie of the Year
104 "Forget it!"
105 Where firings take place on a daily basis
107 Spicy stew
109 *Mineral suffix*
110 Gospels follower
112 Commuters' ways
114 Financial aid criterion
116 Dexterity
117 What some fans do
119 GREEN
123 Smoking container
126 Foam at the mouth
127 Petitions
128 Pulitzer dramatist Connelly
131 Ancient city in 2-Down
133 Food item usually picked wild
136 Abases
140 Jerusalem's Mosque of —
141 Aristocracies
143 Arm
145 *Granada* greeting
146 GREEN
148 GREEN
150 Reason for 55-Down's rebellion
151 Underground worker
152 Petitions
153 Math measurements
154 Blackthorn fruits
155 *Colonel's* insignia
156 Digression
157 To wit: Lat

DOWN
1 Out of place
2 Aleppo's land
3 Coloratura's specialty
4 Provoke
5 Bowl sound
6 County in NW Ireland
7 City once called Philadelphia
8 One born on a kibbutz
9 Most likely to collapse
10 Annex
11 *Victoria, e.g.*
12 Rubber gasket
13 With 15-Down, some chairs
14 Outfoxed
15 See 13-Down
16 Newt
17 Costly sweaters
18 Say suddenly
19 Target
20 1955 film robot
26 Lewis of children's TV
28 Rankle
34 Go-ahead
36 Takeoff, approx.
37 The Lone Ranger's real identity
41 It may be living or dead
43 She's still with Stiller
45 Ignominy
46 Squarely
47 —-Detoo
48 Some Baltz
49 Lonesome George of early TV
50 Address nos.
51 Shades
53 Woman on TV's "Ab Fab"
54 They're fit to be tied
55 1786 Springfield insurrectionist
58 Lounge
60 Assumed names
63 Off
64 Vietnamese port
66 Populous place
68 Team V.I.P.: Abbr.
70 Flat sign
73 Discerning
75 Shoptalk
76 Hole enlarger
78 Sicilia, for one
79 Shipmate of Starbuck
84 Panzer
86 —-tar
87 French 101 verb
88 It's spotted in westerns
89 Driving hazard
91 Sgts., e.g.
92 Service station offering
94 Private
95 Sub
96 Rally
97 Record
99 Winged
100 Film used for recording tapes
101 Dairy aisle buy
106 Bush leaguers
108 Advances
111 Tall player
113 Sting
115 Par
118 Grow together
119 Babbling
120 Id moderator
121 Pasta go-with
122 "Yuck!"
124 Banned Wilde drama
125 Desdemona's faithful servant
128 Shapes
129 Film director Jon
130 Sly character
132 Celebrate
134 Name in Chinese politics
135 Actor Christopher
137 The world according to Arp
138 Object of frequent *sightings*
139 "— Isn't So" (Hall & Oates hit)
142 Desiccated
144 Language that gave us the word "whisky"
147 C.I.A. forerunner
148 Tax pro
149 Calendar abbr.

Solution to Puzzle of Aug. 2-3



A rare in-depth interview with the Indian Prime Minister is just one of five special interviews on HARDtalk to mark the 50th anniversary of India and Pakistan's independence

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Fehim Demir/Agence France-Presse

Princess Diana visiting Tuzla on Friday, first stop of a tour of Bosnia in her campaign against land mines.

Harrods' Heir: Prince for Diana?

By Fred Barbash
Washington Post Service

LONDON — Princess Diana is said to have said she has fallen in love. The man is younger, richer, more exotic looking and, by all accounts, considerably more fun than Prince Charles. He, too, is an heir, not to the throne, which costs money, but to Harrods, the department store, which makes money.

He is Dodi al Fayed, 41, film financier, real estate magnate and aficionado of beautiful women across the globe.

The news broke Friday morning in the British tabloids, one of which quoted her "telling friends" that "'it's time I started getting a life'" and that Mr. al Fayed "'is the man who will take me out of one world into another. I trust him. I think he can provide everything I need.'"

"Telling friends," incidentally, is generally the code here for Princess Diana telling the reporter. She was described as "deeply in love," indeed, "besotted" with love for Mr. al Fayed.

Wealthy as he is, Diana could not have chosen a less Establishment family. The al Fayeds are outsiders who have been trying unsuccessfully for years to become insiders, meeting only rejection from those who control admission.

Mr. al Fayed's Egyptian-born father, Mohamed al Fayed, bought Harrods in 1985 only after a battle with the British government, which charged that he and his brothers had "dishonestly represented their origins, their wealth, and their business interests." Ever since, though he has lived in Britain more than 30 years, the government has refused to grant him British citizenship, for reasons it has never stated.

Though they would not give him citizenship, various government ministers and members of Parliament have been happy to take his money and his gifts, in exchange for various parliamentary services. Bitter about his rejection, Mr. al Fayed helped bring down the Conservative government of Prime Minister John Major, which did not need much help, by revealing those payments to newspapers last year.

Princess Diana met Dodi al Fayed through his father, who is close to members of her family, the Spencers, and the two have known each other for 10 years. Only recently, however, have they been linked romantically, starting with photographs of father, son and princess vacationing aboard the al Fayed yacht in the Mediterranean.

On that occasion, Diana held an impromptu press conference — speedboat to speedboat — with paparazzi and royals reporters tailing her, during which she promised a "surprise" announcement.

That was followed over the weekend by more photographs showing the princess and Dodi, vacationing together, minus the father.

Friday morning, all the tabloids had the same story — that this was no mere friendship but a serious romance. This was no mere coincidence, if the past is any guide. Simultaneous tabloid publication of such Diana stories generally is orchestrated by an authorized "friend."

But only one tabloid, The Mirror, quoted her.

"'I just love his gentleness, his kindness and his almost dull way of living,'" the paper said, quoting friends as the source. "For someone like me, who has lived a goldfish-bowl type of existence, I can't tell you how comforting this is. I like the way he sends flowers. I like the way he conducts himself, not only with me but with women in general."

The women in general have included a variety of beauties, among them Brooke Shields, Britt Ekland, Valerie Perrine, Tina Sinatra and the American model Suzanne Gregard, to whom Mr. al Fayed was married for eight months in 1986.

His "dull way of living" includes two Ferraris, at least one vintage Rolls Royce, a $23 million yacht, a Sikorsky helicopter, a Gulfstream jet, a castle in the Scottish Highlands and other homes in Switzerland, New York, Dubai, Geneva, Genoa and, of course, London.

Thursday night, he reportedly had dinner brought in on silver platters for the two of them at his apartment across from Hyde Park. His family owns the building, along with other buildings in Mayfair, one of the world's most expensive neighborhoods.

Diana then flew off to Bosnia to promote her favorite cause, a ban on land mines, refusing to comment on anything but ordnance.

Dodi al Fayed's primary business is Allied Stars, which helps finance movies, including "Chariots of Fire" and "Hook."

Prince Charles, 48, and Diana were divorced a year ago. Until the Di and Dodi story broke, the big royals story concerned Charles's efforts to win public acceptance of his relationship with, and possible marriage someday to, Camilla Parker Bowles, his longtime lover.

The latest episode in that was the Archbishop of Canterbury, George Carey, saying that since she is divorced, since her former husband is not dead, and since Charles, as king, would be supreme governor of the Church of England, a Charles-Camilla marriage would cause a "crisis."

There are, of course, no such obstacles to a Di-Dodi marriage, should they contemplate it.

Rockets From Lebanon Hit Israel

By Douglas Jehl
New York Times Service

JERUSALEM — New tensions mounted in Israel on Friday after Katyusha rockets fired from Lebanon slammed into a town near the country's northern border following a week of escalating attacks between Israeli forces and Hezbollah guerrillas.

The early-morning salvo, which damaged a synagogue and left an Israeli woman slightly wounded, was the most severe since the April 1996 cease-fire that ended a 17-day Israeli military onslaught in southern Lebanon. It came in apparent retaliation for an aggressive new posture shown by Israel in a week in which 13 people have been killed in the region, including seven Lebanese civilians.

Israel had already been braced for more violence in the aftermath of the suicide bombings that killed 13 Israelis last week in Jerusalem and amid warnings by the militant Islamic group Hamas that more attacks are forthcoming.

But the rocket strike on the Upper Galilee town of Kiryat Shimona has added a new front for Israeli concern in advance of the scheduled arrival on Saturday of the American mediator Dennis Ross, who will attempt to broker an end to the current Israeli-Palestinian crisis.

[Israeli warplanes rocketed Palestinian guerrilla targets in the hills south of Beirut on Friday, Palestinian officials said, according to Reuters.

[Two jets fired two rockets into the Na'ameh hills where the radical Popular Front for the Liberation of Palestine-General Command has bases, 15 kilometers (nine miles) south of Beirut. There was no immediate word on casualties.

[The United States on Friday condemned cross-border attacks. A State Department spokesman said, "We've been in contact with all the parties directly to urge maximum restraint."]

The main reasons for the worsening relations between the two sides have been the harsh measures that Israel has imposed on the Palestinians in the aftermath of the Jerusalem bombing and by the Palestinians' refusal to heed Israeli demands to do more to crack down on Islamic militants. Israel took some small steps Friday to allow Palestinians to travel more freely within the West Bank, but it otherwise maintained its near-total blockade of Palestinian-ruled territories.

Because Yasser Arafat, the Palestinian leader, has declined to go along with Israel's call for the arrests and disarming of Islamic militants, Israel has cut off payments it owes to the Palestinians and halted shipments of many goods.

Hezbollah, the pro-Iranian group that has been waging a guerrilla war against Israel's occupation of southern Lebanon for the last 15 years, denied that it had launched the Katyusha attack. The organization has generally heeded the April 1996 understanding, which prohibited Hezbollah from launching rockets into Israel and barred Israel from attacks into civilian areas.

But the group's leader, Sheikh Hassan Nasrallah, said in Beirut on Friday that a resumption of Hezbollah's old tactics, which used to send thousands of Israelis in the north scurrying into underground shelters, may now be necessary.

■ EU Will Voice Concern to Israel

The European Union, which has a mediating role in the Middle East peace process, said Friday that it was concerned about what it termed Israel's counter-productive measures, Reuters reported from Brussels.

"The EU has decided to ask its representatives in Tel Aviv to make a démarche to Foreign Minister Levy to make our concern known," the Luxembourg foreign minister, Jacques Poos, whose country now holds the 15-nation bloc's rotating presidency, said in a letter to Mr. Arafat.

Haim Azoulay/Reuters

Israeli soldiers examining damage to a synagogue in Kiryat Shimona on Friday after the rocket attack.

NABLUS: *Resentful, Palestinian Police Resist Israel's Demands*

Continued from Page 1

security chief in Nablus. "That means that we can offer them no reason for taking such measures."

His comments reflect the refusal by the Palestinian security forces to go along with Israel's far-reaching demands for a general crackdown on militants.

One of the measures Israel has vowed to maintain until the Palestinians vigorously clamp down is a halt of the disbursement of money it owes to the Palestinian Authority.

One direct effect is that, like most of the 78,000 civil servants and police officers who work for the authority, no one in the 1,500-member preventive security force that works in the West Bank has received the monthly paycheck due last week.

Colonel Kanan said Israel has provided virtually no evidence to support its demands that the Palestinians arrest the 150 militants named on various Israeli lists and that it disarm many others.

He also said the deterioration of the partnership between the Israelis and the Palestinians has made it virtually impossible for the Palestinian authorities to justify to ordinary citizens, and particularly to Islamic conservatives, why they would agree to the Israeli requests.

Together, he said, the combination of pressure tactics, financial deprivation and exorbitant demands has left the Palestinians in an untenable position. "It's like handcuffing a man, throwing him into the water and then telling him to swim," Colonel Kanan said.

The sentiments expressed by the Palestinian officers underscore the quandary facing Mr. Arafat as he decides how to respond to the demands imposed by Israel and reinforced by Washington this past week by President Bill Clinton and other top U.S. officials.

In the past, the Palestinians have arrested large numbers of suspected militants, particularly after four suicide bombings in February and March 1996, when they arrested more than 1,500 people. But fewer than 100 of them are still behind bars, a fact the Israelis are quick to point to as evidence that Mr. Arafat has not acted seriously to root out terrorists.

Advisers to Mr. Arafat are worried that support for him among ordinary Palestinians, which is already shaky, could plummet further if he is seen either as kowtowing to the Israelis or as unfairly punishing Islamic conservatives.

"We have laws," said Colonel Habreih. "We kept some of those people in prison for six or seven months without being charged, and this is against the law. The Palestinian Authority is not a tool of the Netanyahu government; it is an independent force."

The officers said they were particularly upset by suggestions that the Palestinian authorities bore responsibility for the terror attack July 30, which killed 13 Israelis and the two suicide bombers in a crowded Jerusalem market.

The attackers have not been identified, but the Israeli government of Prime Minister Benjamin Netanyahu has said the operation could have been carried out only with the support of Islamic extremists in Palestinian-ruled areas.

"They can't find the bombers, so they want to blame the Palestinian Authority," Colonel Kanan said. "Netanyahu should blame himself, because it happened in Jerusalem."

While not directly laying blame for this attack on the Palestinian Authority, Mr. Netanyahu and his government maintain that lax security measures by Palestinians allowed Islamic militants to go free when they should have been locked up, and that official tolerance of vitriolic propaganda against Israel has set a tone that contributes to terror attacks.

Colonel Kanan is no ordinary policeman. Like many of his colleagues, he spent long years in Israeli jails as a member of Mr. Arafat's outlawed Fatah faction, then emerged to become a member of the Palestinian delegation to the Middle East peace conference in Madrid in 1991.

He has also shown a capacity for forgiveness. Just two months ago, he invited his former jailer from an Israeli prison in Beersheba on a tour of Ramallah. And though his mother, who was born a Jew, converted to Islam to marry his father, a Palestinian, Colonel Kanan was recently lionized in an article in the Israeli newspaper Yedioth Ahronoth as being Colonel's Rajoub's "Jewish deputy."

Their agency, whose members almost always operate in plainclothes, is the Palestinian security force that works most closely with the Israelis, including the domestic intelligence service Shin Bet.

Since last Wednesday, the internal security measures imposed by Israel have prevented even most Palestinian security forces officers from traveling from one West Bank town to another. As a high-ranking officer, Colonel Kanan is exempt from such restrictions, but he has decided to operate from a Palestinian police office in his home town of Nablus rather than cross Israeli checkpoints on the way to his force's main headquarters in Jericho.

In the eight days since Israel issued its demands, Colonel Kanan said the Palestinians have not arrested anyone whose arrest was demanded by Israel. He and the other officers said they would only do so if they received orders from their Palestinian superiors.

ISLAND: *Ex-Colonials Want France Back*

Continued from Page 1

cratic elections would be held before the end of this year, "God willing."

On Tuesday and Wednesday, demonstrators on Moheli, the smallest Comoro island, carried the French tricolor, erected barricades and said they want to join the Anjouan revolt.

Because Mr. Ibrahim and his supporters wish to break away from a republic governed, unfairly toward them, they say, from the main island, Grand Comore, they call themselves separatists. But their leaders explicitly wish to resume their ties to France, favoring a relationship akin to that of Mayotte, a fourth island in the Comoro group that chose in 1975 not to join the Comoro republic, but rather to keep its historic links to Paris. As a French overseas territory, Mayotte is more prosperous than the other three islands.

France has politely declined the offer of reattachment. The French Foreign Ministry reiterated its support for the integrity of the three-island republic while calling for a more equitable distribution of international aid.

A French naval vessel is cruising Comoro waters — a strictly routine mission, the Foreign Ministry said. About 2,000 kilometers (1,250 miles) away, Mr. Chirac and his wife continued their Indian Ocean vacation on the island of Reunion, a French possession.

"The government here very much appreciated" the French government's refusal to be drawn into the imbroglio on the archipelago, said Ali Soilihi, director-general of Radio Comoros, the state broadcast service. Noting that calm had been restored on Anjouan, Mr. Soilihi held out hope for a resolution of the problem in the negotiations launched by the beleaguered government of the Comoros' president, Mohammed Taki Abdulkarim, who was elected last year with 64 percent of the vote.

The talks will be joined Saturday by a special envoy of the Organization for African Unity, Pierre Yere of the Ivory Coast, and the government has invited the 22-nation Arab League to mediate as well in the overwhelmingly Muslim archipelago.

In the last year, following the fiasco of its support of a government in Rwanda that massacred a half-million of its people, France has been forced to rethink its interests in vast French-speaking areas of the African continent that it dominated long after their independence. In May, the fall of Mobutu Sese Seko in Zaire, now renamed Congo, removed another African client of the United States and France and closed the door on another important era in French foreign policy.

Last week, the new French defense minister, Alain Richard, traveled to Africa and announced that French military forces stationed at bases stretching from Senegal in the west to Djibouti in the east would be reduced by one-fourth.

Now comes a knot of island people afflicted with misery and hopelessness who see the merits of a neocolonial parent. They see them through the candy-store window of Mayotte. In recent years, as many as 20,000 Comorans, mainly from Anjouan and Moheli, have streamed in rickety craft to the imagined good life represented by the French social welfare system on Mayotte.

Mayotte is "no El Dorado," said Henry Jean-Baptiste, its elected representative in the French Parliament. Yet, the Comoran government's economic and social development policies, he said in a telephone interview, "have incontestably been inefficient" and responsible for the "massive emigration" from the independently governed islands to the French-administered one.

Echoing analyses in some French news media, Mr. Soilihi said he believes the calls for independence from the two smaller islands are opening positions in negotiations for decentralization of power, away from Grand Comore. "History will not pardon a people who go backward by recolonizing themselves," he said.

Kenyan Ambassador Recalled From U.S. After Political Gaffe

Compiled by Our Staff From Dispatches

NAIROBI — Kenya has recalled its ambassador to the United States, apparently because he mistakenly presented an opposition plan for government reforms to a U.S. congressional committee instead of the government's reform plan.

A Kenyan Foreign Ministry statement said Friday that Benjamin Kipkorir had been recalled at the end of his tour of duty on July 31 but gave no further details.

But diplomats said Mr. Kipkorir was removed as ambassador after an embarrassing episode involving constitutional reform in Kenya.

In what the Kenyan Embassy in Washington described as a mix-up, Mr. Kipkorir presented to a U.S. congressional subcommittee draft bills on constitutional reform that came from an opposition Parliament member instead of drafts from Kenya's attorney general.

The attorney general, Amos Wako, said this week that Mr. Kipkorir presented the wrong documents "and we don't know what the source of his documents was and why he did not verify."

The Foreign Ministry said Mr. Kipkorir would be replaced by Samuel Chemai, Kenya's ambassador to Japan. *(AP, Reuters)*

KENYA: *Strike Turns Violent*

Continued from Page 1

says is largely cosmetic. In addition, the opposition asked Mr. Moi to accept religious leaders as mediators between the government and their organization.

They are calling for the repeal of 12 acts -- some left over from the British colonial era that ended in 1963 — that restrict freedom of movement, assembly and speech and permit indefinite detention without trial.

They also are seeking a constitutional provision for a coalition government — now impossible in Kenya — and the scrapping of a law that requires a presidential candidate to receive 25 percent of the popular vote in at least five of Kenya's eight provinces to win an election. They say the laws favor Mr. Moi and candidates of his Kenya African National Union party.

Mr. Moi, 73, has been in office 19 years and has said he will seek another five-year term.

Advocates of reform called the strike in 14 cities and towns. They had refused to apply to the government for a license because the license requirement is part of the colonial-era legislation they want scrapped. *(Reuters, AP)*

JOKES: *The New Rich of Russia Are Derided by the Less Affluent*

Continued from Page 1

easy target. Their clothes are distinctive: for men, Italian suits with shoulder pads that a linebacker would envy; for women, miniskirts and long, high-heeled leather boots.

Mercedes-Benz and BMW are the preferred brands of car, although the other day, a Pontiac Trans Am convertible was spotted on Pushkin Square — in a city where winter often lasts nine months. Bodyguards are de rigueur, and they wear the same Italian suits.

Restaurants for New Russians are opulent and extremely expensive. The other day — and this is no joke — a waiter at an Italian restaurant in Moscow tried to explain to a customer why a run-of-the-mill Tuscan wine on the menu was so expensive.

"If we list it cheap," he said, "New Russians won't buy it."

Some observers consider the jokes not merely social but politically pointed because of the well-publicized close ties between the government and tycoons in Russia.

"There is an implied criticism," said Robert Coalson, who writes a column on language for the Moscow Times. "You could easily put into the jokes the name of some of the major millionaires with links to the Yeltsin government and get the same laughs."

Mr. Coalson, who also works as a consultant for regional newspapers in Russia, collected some jokes for a recent column, and the auto-accident tale was his favorite.

"That kind of black humor has a long tradition in Russia," he said. "Some of the jokes are pretty grim."

Most of the jokes about New Russians are unflattering. In a country in which there is much contemplation of the mysterious Russian soul, these jokes suggest the New Russians have none. An example:

One day, the devil meets a New Russian and offers him anything he wants.

"I want a license to import anything I want free," the New Russian says. "I want oil fields. I want tax breaks. Now, what do I owe you?"

"Your soul," the devil responds lustily.

The New Russian scratches his head and thinks hard: "Uh ... so what's the catch?" Poorer Russians — sometimes referred to as Old Russians in the jokes — apparently tend to regard the New Russians as likely criminals.

The inference is understandable, given the stream of stories about organized-crime killings and government-business corruption.

"Have you got a book on how to become rich?" a customer asks a clerk.

"Yes, it's called the Criminal Code," the clerk answers.

Oil Spill on Normandy Coast

Agence France-Presse

DEAUVILLE, France — The beach on this Normandy resort, where wealthy French vacation in the summer, was polluted Friday by an oil slick caused by an oil tanker docked at the nearby industrial port of Le Havre.

Workers tried to clean up the oil on the beach near the resort's casino. The authorities said the slick was "small," but banned bathing, sailing and angling along a 20-kilometer (12-mile) stretch of coast.

HOSPITAL: *For Some U.S. Patients, Profit-Minded Psychiatric Care Was a Nightmare*

Continued from Page 1

porate thirst for insurance dollars overrode patients' needs. Now, as managed-care companies move into the area of mental health, many psychiatrists fear that patients' needs are again being overlooked — but this time to hold down insurance costs. Today, seriously ill patients are often discharged from mental-health units after just a few days, trapping them in a cycle of hospitalization, relapse and re-hospitalization, doctors say.

"National Medical was treating the insurance contract and not the patient," said Dr. Fred Goodwin, director of the Center on Neuroscience, Medical Progress and Society at George Washington University Medical Center. "Now, in reaction, doctors are being forced to react to the needs of managers, not patients."

Managed-health companies defend their practices as reining in undisciplined and wasteful spending on mental-health care, where it is often difficult to measure a patient's progress. Tenet and the doctors who admitted patients to Brookhaven and other National Medical hospitals have consistently denied any mistreatment of patients. Along with the payments from Tenet, some doctors once affiliated with the company's psychiatric unit also recently agreed to pay $20 million in compensation to their former patients.

What emerged in interviews with former patients were stories not only of individual suffering and of its long-lasting effects but also a cautionary tale with lessons for the health-care industry.

With National Medical aggressively seeking patients, a teenager could land in one of its hospitals for months as a consequence of behavior that many psychologists say could have been treated with short-term therapy.

Patients at Brookhaven witnessed scenes they found hard to fathom. When Sherry Sylvester entered the hospital in 1987 as a 16-year-old, she noticed that a large number of patients spent their days in wheelchairs. It took her several days to realize, she said, that the patients were not paralyzed but tied down.

Ms. Sylvester, who had been referred to Brookhaven for treatment of a possible chemical imbalance, expected to be in the hospital for two weeks. But her stay stretched for 422 days.

A constant refrain of life at Brookhaven, she said, were the calls for "Dr. Rush, Dr. Rush" over the hospital's loudspeaker. The pages, it turned out, were not a call for a particular doctor but an alert for hospital personnel to converge and restrain a patient. As she wrote in an account of her experiences prepared for her lawsuit, she first heard it after she refused a nurse's order to leave a room so a group therapy session could be held.

"Five minutes later, I'm hearing 'Dr. Rush, Dr. Rush' over the intercom," Ms. Sylvester wrote. "All these loonies are freaking out, and I'm thinking 'God, what the hell is going on, I've got to get out of here.' I was still sitting on the bed when six big guys run in and tackle me."

In a statement, officials of Tenet, which is based in Santa Monica, California, said that the individuals interviewed for this article were among many patients at the company's hospitals who had been diagnosed with serious and, in some cases, life-threatening disorders.

"Confronted with these and other serious symptoms, physicians administered what, in their professional judgment, was the most appropriate course of treatment to help their patients," the company said.

William Smith, a lawyer in Dallas who represents doctors who once practiced at Brookhaven, said his clients had acted in their patients' best interests and provided them with excellent medical care.

"We would like to see the former patients allow their medical records to be released to the public so that we could discuss their individual cases and why they needed the care," he said.

U.S. Backs an Embattled Serb

Compiled by Our Staff From Dispatches

BANJA LUKA, Bosnia-Herzegovina — The United States voiced support Friday for the Bosnian Serb president, Biljana Plavsic, in her battle with hard-liners and insisted that her predecessor, Radovan Karadzic, be tried for war crimes in The Hague.

Mrs. Plavsic "is committed to the Dayton peace accord, she is committed to democracy and the rule of law and a single Bosnia-Herzegovina with two entities," a visiting U.S. negotiator, Richard Holbrooke, said after talks.

"This is the essence of Dayton," the mediator added.

Mr. Holbrooke, who mediated the Dayton peace accords ending Bosnia's 43-month conflict in 1995, returned to the region with a special envoy, Robert Gelbard, to press leaders in the former Yugoslavia to abide by the agreement.

"We are working closely with Plavsic in her capacity as the elected president of Republika Srpska in Bosnia," Mr. Gelbard said.

Mrs. Plavsic said that only "with respect" for Dayton could the Bosnian Serbs enjoy better economic prospects.

She has been battling hard-line opponents in the Bosnian Serb camp in Pale, near Sarajevo.

On July 3, Mrs. Plavsic dissolved the Bosnian Serb Assembly, which was preparing to oust remove from office. Both the Parliament and government rejected her move.

Although a Serb nationalist herself, Mrs. Plavsic has lately distanced herself from her former close allies, including Mr. Karadzic.

Mr. Holbrooke said that Mr. Karadzic would eventually have to face trial and could not negotiate on where and when he would be tried.

"He should hand himself to the tribunal, and there should be no more proposals about it," the negotiator said.

Mr. Karadzic proposed in an interview with the German newspaper Sueddeutsche Zeitung that the tribunal in The Hague transfer his case and those of other Serbs from Bosnia-Herzegovina to courts in the Serb half of Bosnia.

"What he proposed is unacceptable to the United States and the international community," Mr. Holbrooke said.

Earlier Friday, the members of Bosnia's three-man joint presidency agreed on three key outstanding items of the post-war dispute after marathon talks brokered by Mr. Holbrooke.

The three agreed on a list of common ambassadors, on a telephone system to cross from one part of Bosnia to another and on military cooperation.

But agreement on the design of a common currency, crucial to establishing a central bank, eluded Mr. Holbrooke.

U.S. officials traveling with him also castigated Serbs for turning down international loans for their impoverished republic.

Tom Leary, the spokesman of the U.S. Embassy in Sarajevo, said agreement on the ambassadors had been found after a marathon meeting of the three-man Bosnian presidency totaling more than 10 hours. *(AFP, AP)*

Sergei Ilnitsky, Agence France-Presse

DRUG SMUGGLERS — Afghan traffickers were arrested inside Tajikistan with bags of opium they were attempting to slip through the border area. There has been a big rise in drug running in the area.

BRIEFLY

Gujral Vows Food-Subsidy Rise

NEW DELHI — Prime Minister Inder Kumar Gujral of India promised Friday to increase subsidies on food, ending months of speculation that his coalition would cut back a $2.5 billion outlay announced in January.

"It is shame that in our 50th year of independence a large number of people are still living under the poverty line," Mr. Gujral said in Parliament.

At its convention in Calcutta, the Congress Party defended the economic liberalization it inaugurated six years ago and accused the government of slowing the pace of change.

The party warned the government that it was supporting it only temporarily and sought to return soon to power. "We are not partners, we are merely helpers," said the party president, Sitaram Kesri. *(AFP)*

Chinese Police Detain Dissident

BEIJING — The Chinese police detained a dissident overnight after he issued a daring call for the disgraced Beijing leader Chen Xitong to be brought to justice for the 1989 crackdown on democracy protests, the activist's wife said Friday. The police took Jin Cheng from his home in western Beijing late Thursday and did not allow him to return until early Friday, said Mr. Jin's wife, Liu Xiuli.

Mr. Jin wrote to the head of the National People's Congress asking that the former Beijing Communist Party chief be punished for sending the army to crush the protests. *(Reuters)*

Gunmen Kill Colombia Senator

BOGOTA — Gunmen shot and killed Senator Jorge Cristo of the governing Liberal Party on Friday as he headed to his office in Cucuta, about 600 kilometers (375 miles) north of Bogota, the police said.

The motive of the attack was not known, but the National Liberation Army had warned that it considered a number of governing party politicians to be "military targets." *(AFP)*

For the Record

The United States said Friday that it was extending indefinitely its suspension of aid to the Cambodian government but that help going directly to the Cambodian people would continue. *(Reuters)*

Pakistan denied Friday reports in the United States that China had sold it M-11 ballistic missiles. *(AP)*

Korea Talks Break Up in Discord

By Steven Lee Myers
New York Times Service

WASHINGTON — The effort by the United States, China and the two Koreas to set up peace talks aimed at formally ending the Korean War broke off unexpectedly Thursday evening after failing to resolve differences over which topics those talks would cover, including the future of 37,000 U.S. troops in South Korea.

It was a setback to the long, tortuous effort by the United States to entice the North Koreans into negotiations to replace the fragile armistice that has held on the Korean Peninsula since 1953.

[North Korea accused the United States on Friday of using economic sanctions against Pyongyang as a means to turn the talks to its advantage, Reuters reported from Tokyo. "The U.S. intends to secure concessions from the DPRK (North Korea) by means of sanctions and turn the 'quad talks' favorable to it," the official newspaper Rodong Sinmun said in its commentary.

["The U.S. position concerning the economic sanctions is a wanton violation of the DPRK-U.S. framework agreement," the commentary said. "We cannot sit on the fence now that the U.S. has unhesitatingly violated the agreement and abused the 'four-way talks' as means of pressure."

[The report was carried by the Korean Central News Agency, monitored in Tokyo.]

After a third day of meetings at Columbia University in New York City, the four countries reached agreement only on issues that officials described as the least contentious. For example, they agreed to hold negotiations in Geneva six weeks after the current preliminary meetings ended, according to U.S. officials. But even those agreements remained tentative.

The delegations failed to resolve sharp differences over an agenda for the talks, as North Korea insisted that any further discussions focus on a withdrawal of U.S. troops.

The head of North Korea's delegation, Kim Gye Gwan, the deputy foreign minister, said his country also had insisted on negotiating a separate peace with the United States that would exclude South Korea, something Washington has repeatedly ruled out.

The United States, joined by South Korea and China, argued that the agenda should deal with the broader issue of establishing peaceful relations first, the officials said, speaking on condition of anonymity. The four countries, the main antagonists in the Korean War, agreed to resume preliminary talks in New York on Sept. 15.

Despite the setback, delegates on all sides tried to sound positive. Mr. Kim said he was pleased with the meetings this week. "I think these will greatly help in our further talks," he said.

But U.S. officials were showing signs of frustration. The United States and South Korea have held a series of meetings with North Korea, involving both low- and high-level delegations, since President Bill Clinton and President Kim Young Sam of South Korea proposed the latest talks in April 1996.

This week's meetings had been intended as preparatory talks, simply to set an agenda for discussions, not to resolve anything substantial.

"You don't come here to agree to have more preparatory talks," a senior U.S. official said before the meeting broke off Thursday. The goal of the peace talks would be to replace the armistice that ended the fighting in 1953 but not, technically, the war.

BOOKS

THE BALLAD OF GUSSIE & CLYDE

By Aaron Latham. 176 pages. $19.95. Villard.

Reviewed by Louise Titchener

YOU may imagine that people on the far side of 80 are too busy raiding their medicine cabinets to have time for amour. Not so if the couple featured in "The Ballad of Gussie and Clyde" is any clue.

This slim memoir chronicles the courtship and honeymoon of Aaron Latham's father, Clyde Latham, and his lady love, Gussie Lancaster. At the time of their nuptials, both sweethearts were well past their biblically allotted threescore and ten.

It's lovely to hear of an elderly couple finding true love. Indeed, for those of us who are heaping up birthdays like municipal salt suppliers anticipating a Minnesota winter, it's heartening to learn that octogenarian Romeos and Juliets thrive out there.

The author opens the memoir by saying that he started telling his father's love story at dinner parties and found he enjoyed doing it — ergo, the book. "None of them (the other guests) had ever met my dad, but they all wanted what he had to give: hope."

About five years after Clyde Latham, a retired high school football coach, has lost his wife of 50 years, an old friend from California arrives to visit him and the scenes of her girlhood in Spur, Texas. Clyde and Gussie had been friends in their youth. Both are widowed and lonely.

Though Clyde is anxious to renew his relationship with Gussie, she, at first, has doubts. After she uses weak excuses to break several dares for the visit, the writer quotes himself as saying to his wife, television reporter Leslie Stahl, "I hope he's (Clyde) learned his lesson. I hope he doesn't ask her to come down again." Leslie tells Aaron to "Grow up."

Clyde, a likable man with an optimistic world view, doesn't give up on Gussie. Finally he succeeds in luring Gussie back to Texas for a visit. There he courts her by taking her around to revisit the landmarks of their youth. By the time Gussie's visit ends, the two are all but ready to say their "I do's."

Seen as a memoir about his father, Latham's book is charming. Seen as a work of storytelling, it's a narrative with flaws. For readers seeking a page-turner, the glaze of sentimentality frosting Gussie and Clyde's ballad won't conceal its lack of a compelling conflict or its poorly realized protagonists.

Latham does not choose to tell Gussie and Clyde's story from their point of view, which might have encouraged readers to identify with his protagonists. Instead, he tells their story as a first-person narrator. The result is an archly distanced rendering of Gussie and Clyde's courtship. To me they seemed more like an elderly Ken and Barbie than flesh and blood people.

The preciousness is underlined by Latham's device of ending roughly two thirds of his brief chapters with repetitious quotes from Marlowe's "Passionate Shepherd to his Love." Lines such as "Come live with me and be my love," are charming the first and second time around. After 26 repetitions they get irritating.

The real flaw in this story, however, is its lack of conflict. From the first we have no doubt that Gussie and Clyde are headed for wedding cake. Though Latham tries to create suspense by injecting his own doubts and fears into the mix: "For many years our mother lit our lives, but now that glow had gone out. Could our eyes ever adjust to another light?" Such concerns in a man of mature years come across as artificial. No reader will doubt that Clyde and Gussie must end their story holding hands in their rocking chairs.

Readers who have low tolerance for warm fuzzies might be advised to give this book a miss. If, on the other hand, you are looking for reassurance that romance never dies, "The Ballad of Gussie and Clyde" will be music to your ears.

Louise Titchener, whose most recent novel, "Deja Vu," was published last year, wrote this for The Washington Post.

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THE INTERMARKET Continues on Page 13

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Cambodian Power Play

The Hun Sen gang running Cambodia has contrived to have Parliament elect a new and pliant prime minister. At the same time — in a legally dubious procedure — the Parliament threatens the man being replaced, the exiled Prince Norodom Ranariddh, with prosecution if he comes home. These steps are an effort to create an edifice of political normality that consolidates the grab for power Mr. Hun Sen made a month ago.

Just how this effort will play out is uncertain. The Cambodian political opposition, including members of the prince's party, face a hard choice between coping with deadly intimidation if they stay in Cambodia and risking irrelevance if they go into exile, as some have, in Thailand or elsewhere. Mr. Hun Sen's invitation to the exiles to return with their safety guaranteed must necessarily be set against the fact that his troops executed some 40 opposition military and political figures in the wake of the July coup. No trial of Prince Ranariddh over which Mr. Hun Sen effectively presided could be regarded as plausible and legitimate.

This unhappy state of affairs puts a large burden on the international network that was eventually put in place in the early 1990s to rescue a crushed Cambodia from the unspeakable depredations it suffered unaided under Maoist Khmer Rouge assault in the 1970s. It was the electoral political structure established under the aegis of the UN plan that became the victim of Mr. Hun Sen's guns in the street.

An armed foreign presence of the sort some exiles are demanding seems a long shot in current circumstances. But the earlier international network needs to be put back in place at least to the extent required to organize a concerted political response to Mr. Hun Sen's new offenses against democracy and human rights. That means in the current instance a firm stand calling Mr. Hun Sen to account and denying him the fruits of his coup.

It has never been easy for foreigners to sort out the political designs by which the Cambodians run and shield their affairs. But there can be no mistaking the requirement on Cambodia's friends to seek to reverse the results of Mr. Hun Sen's power play.

— THE WASHINGTON POST.

Will America Now Rethink Mideast Equations?

By Jim Hoagland

WASHINGTON — President Bill Clinton works the Middle East as a binary problem of Israelis and Palestinians. But the Middle East is a mixture of algebra and geometry, not arithmetic: Hidden factors, tenebrous equations and wicked angles thwart the best of intentions.

The August crisis in the region shows the administration falling behind the curve of events after four years of surefooted if uncommanding performance in the peace process. The Arab-Israeli front is not the Mideast's only front. To ignore the region's murderous nexus is to invite punishment.

In statements Wednesday, the president and Secretary of State Madeleine Albright reaffirmed and intensified the central element of U.S. Middle East policy under Mr. Clinton: unflinching support for an Israel that takes risks to secure peace with the Palestinians. Most of Mrs. Albright's lucid, forceful speech on the Middle East could have been delivered by Prime Minister Benjamin Netanyahu of Israel.

The main problem with the Albright speech is that it came months late.

Mr. Clinton and Mrs. Albright have not taken on board the new reality that Mr. Netanyahu months ago stopped running the kind of risks for peace that the late Yitzhak Rabin was braving when Mr. Clinton originated his policy. Nor do they indicate that recent troubling political developments in Syria, Jordan, Iraq and elsewhere have blackened the once promising environment for peace in the Middle East.

Mr. Clinton has been sold the view that his foreign policy legacy will be shaped primarily in Europe, through NATO expansion and Bosnia, and in China. But counting on an untended Middle East not to take its own vicious bite out of a presidency is a big and usually unsuccessful gamble. The inordinate time and energy expended on NATO expansion represents an opportunity lost elsewhere.

Mrs. Albright's reluctance to plunge personally into the Middle East in her first six months in office is not unprecedented or beyond reason. On becoming secretary of state in 1982, George Shultz told The Washington Post that he was going to concentrate on big problems like trade with Canada while his capable aides kept the Middle East from taking up all his time.

It was only a matter of weeks before Mr. Shultz became the Reagan administration's Middle East desk officer, proving the axiom that secretaries of state may not be interested in the Middle East, but the Mideast is always interested in secretaries of state.

Mrs. Albright hoped to avoid Mr. Shultz's fate and that of her immediate predecessor, Warren Christopher, who was ridiculed for going to Damascus two dozen times. But Mr. Christopher's assiduity helped limit the damage Syria inflicted on the peace process. Mrs. Albright's absence has not been more effective in peacemaking than was Mr. Christopher's ubiquity.

In the first months of Mr. Clinton's second term, Syria has begun a surprising rapprochement with Saddam Hussein of Iraq, sending trade delegations and opening border posts with its former arch enemy.

King Hussein of Jordan is also mending fences with the Arab world's most radical forces after a period of unstinting cooperation with Washington and Jerusalem. American pressures to contain Mr. Saddam, Moammar Gadhafi of Libya, and Iran are being resisted by usually friendly Arab regimes with new force.

The drift in U.S. policy in the Gulf was underlined by Washington's unfocused response to appeals for help from Jalal Talabani, the only Kurdish leader willing to fight against Mr. Saddam. The message Mr. Talabani heard in Washington amounted to a request to go away and leave Mr. Clinton's Iraqi nonpolicy to slumber in peace.

What happens in Baghdad still has enormous implications for what happens in Cairo, or Jerusalem. The Gulf War was fought against Mr. Saddam in part to break up the nexus of Arab radicalism that was a major obstacle to peace across the region. That nexus is now reconstituting itself in the absence of clear American leadership toward an alternative for the region.

Mrs. Albright rightly condemned Yasser Arafat for turning Palestinian security cooperation on and off to blackmail Mr. Netanyahu into further movement on peace. But the administration did not seem to understand or react to Mr. Arafat's perfidy as the sign of desperation and the new ascendancy of Arab radicalism that it was.

Is it Mr. Arafat's nature, or the desperation of his circumstances, that drives him to undermine the peace process? It is both, just as Mr. Netanyahu is compelled by temperament and by Hamas bombs to stop taking risks and crack the whip instead.

Middle Easterners have to play all the angles all the time. So does Mr. Clinton if he wants to protect his presidential legacy in the region.

The Washington Post

Defensive Democrats

This past week's news from Washington, including President Bill Clinton's press conference this week, showed once again that the Democrats have no credibility on campaign fundraising. The Republicans can also be disingenuous, as demonstrated by the slippery testimony of Haley Barbour, former chairman of the Republican National Committee, before the Senate committee investigating the flow of foreign "soft money" into the 1996 campaign. But when it comes to devising audacious defenses, nobody matches the White House.

We can start with Mr. Clinton's interview Monday with the Fox News Channel. Asked for his reaction to the recent revelations about the laundering of foreign money into the Democratic National Committee, Mr. Clinton professed shock, even shame. "I was sick at heart," he said, to discover that the committee had dismantled its practice of checking the sources of large donations. He was also "very disappointed" to learn that some checks might have been illegal, and "angry" to find that his party had let down its guard.

Could all this have been news to the president? Memos from his de facto campaign director, Harold Ickes, have made it clear that the campaign was orchestrated from the White House.

But put that aside. For now, give Mr. Clinton credit for adding the "sick at heart" ploy to the standard spin of they-did-it-too or oops-sorry-about-that. At his press conference, the president resurrected the shopworn unilateral-disarmament gambit. Asked why the Democrats keep raising soft money despite his support for legislation that would end the practice, Mr. Clinton bristled. It would be a "grave mistake," he said, to disarm unilaterally, to "abandon any attempt to compete" for dollars with the Republicans. As long as the Republicans opposed campaign financing reform, he had no intention of presiding over the bankruptcy of the Democratic Party.

The questioner had not asked him about disarmament. But the remarkable thing about Mr. Clinton's response was its negative tone. Hiding behind the disarmament image is a formula for protecting the status quo. True, the president twice reaffirmed his support for the McCain-Feingold bill that would end soft money and make other changes in the campaign-finance laws. But to dwell on the disarmament theme leaves a negative impression. To top it off, the president said he was "proud" of all that money he had raised and continues to raise. The president can use any word he wants to describe his fund-raising skills, but "proud" seems hardly the mot juste if he really wants to be seen as an ardent reformer.

Finally, new information leaking from the Senate investigating committee about Vice President Al Gore's own fund-raising reminded us of another characteristic of this administration: its unwillingness to tell the whole truth the first time around. Back in March, Mr. Gore said "there were a few occasions" when he "made such calls" from his White House office to major contributors. It now appears he made more than 40 such calls from December 1995 to May 1996.

All in all, it was not a good week for anyone who hopes that the White House will take a leadership role in campaign reform.

— THE NEW YORK TIMES.

The 'European Model' Is Getting a Bold, Inventive Overhaul

By William Pfaff

PARIS — A new Europe is in gestation, and with it a challenge to the Atlantic relationship. Three months ago solid conservative governments were in power in Germany and France, committed to a single European currency to challenge the dollar. Today France is governed by the left and is looking for a new way to run its economy. Feted a year ago as the new Bismarck, Helmut Kohl now confronts the possibility of defeat in German elections little more than a year away.

His budget and tax reform proposals collapsed last weekend. Next year's German election will represent not only a choice between parties but a choice of society. Mr. Kohl stands for reduced taxes, social flexibility and fiscal austerity to meet globalized competition and the single currency. The Social Democratic opposition defends the essentials of the existing German social contract, one of the most generous welfare systems in the world.

As the Frankfurter Allgemeine Zeitung has written, this is a choice worth an election. It is widely seen as a choice between American and West European ways of life. The former is presented by its advocates as the necessary choice if Germany is to compete successfully, and indeed to be inevitable. Those who say there is another way must invent a new and dramatically improved economic engine to sustain the "social capitalism" that Germans and most of the other West Europeans have practiced since the war.

In their legislative election this spring, that is what the French chose to attempt. The newly elected government of Lionel Jospin has undertaken to reform the modern French economy so as to combine competitiveness, full employment and social protection.

Conceptually, it seems possible. A neo-Keynesian, demand-led boost to growth, in current zero-inflation conditions, is not impossible. The French, who have always had an efficient state at the heart of their economy, believe the state can sponsor the creation of real, noninflationary jobs that contribute to the nation's efficiency and amenity.

In an information-dominated society, value has to be recalculated. A product has to be manufactured, stocked, transmitted and sold, and each step is costly. A different calculus of value prevails when what is created and transformed is information. What are the real costs there? What is efficiency?

The conventional wisdom says the French Socialists and German Social Democrats are fantasists to think that Western Europe can go on living in the way the Europeans want to live. Still, the full-scale, real-time experiment is now under way in France. Next year the Germans may join the experiment.

If the "European model" should indeed prove reinventable, all of Europe would be influenced — since all across Europe, from the English Channel to Moscow, there is popular resistance to what is seen as the social cost of America's "new economy." Asia would be strengthened in its commitment to "Asian values."

The immediate effect on the United States would lie in the European experiment's influence on Europe's foreign policy commitments. The current policy of the United States on the United Nations, NATO and to an extent on the Middle East and Bosnia assumes that the European allies can be persuaded to pay most of the costs for what the Clinton administration and the Senate Foreign Relations Committee decide.

This was a controversial assumption before the French election and the new vicissitudes suffered by Mr. Kohl. In today's Europe, obsessed with reaffirming its social priorities, it simply won't be accepted.

There already is a conviction in the U.S. Congress that Europe does not pay its proper share of the costs of what Americans see as America's keeping order in the world. NATO expansion is the latest case. The administration says the present European NATO allies should pay half the cost of NATO's enlargement. The new members should pay 35 percent and the United States 15 percent.

Europe will not agree. Many West Europeans would say that NATO expansion is an American program, decided by the United States, overriding allied objections, and therefore that America should pay the bill.

Washington says that the United States already spends nearly 4 percent of its gross national product on security, a third to two-thirds more than West Europeans pay, and that this is unfair. Europeans reply that America's scale of armament is hugely disproportionate to rational need and has been kept up since the Cold War because the American economy is driven by its military sector.

A critic would say that this is America's version of state socialism. The Europeans say this level of arms spending is a free American choice that they see no need to imitate.

Today's Western Europe is not going to pay for American-initiated programs that the U.S. Congress refuses to finance. Whatever the merits of the arguments on either side, Europe today has its own agenda, and it is social and economic.

International Herald Tribune
© Los Angeles Times Syndicate.

For Guatemala, Even a Slow Rebuilding Is Cause for Hope

By Anthony Lewis

NEW YORK — How can a society torn apart by racial or ethnic conflict be made whole again? We know about the effort at healing in post-apartheid South Africa. But not many Americans are aware of the example in their own hemisphere: Guatemala. Or aware of America's responsibility there.

For 42 years, from 1954 to 1996, Guatemala suffered from a conflict that reached levels of extraordinary savagery. In the attempt to defeat a guerrilla uprising, government forces indiscriminately targeted the Indians who make up 60 percent of the country's population of 10 million. The forces wiped out 400 villages and killed 150,000 unarmed civilians.

Editors, intellectuals and others who showed sympathy for the victims were murdered or "disappeared." A founder of Prensa Libre, Guatemala's largest-circulation daily newspaper, Isidoro Zarco, was shot down in 1970. His widow, Teresa Bolanos de Zarco, president of the board of the newspaper, said recently: "In imitation of what happened in Europe during World War II, part of the population was exterminated: an example of genocide the likes of which has not been seen in any other country of the hemisphere."

Last December, the conflict was brought to an end with the signing of peace accords. Leaders of the opposition who had left Guatemala were invited to return, and many have done so along with former guerrillas.

The peace accords called for constitutional amendments to make Guatemala officially a multiethnic society, allowing the use of the many Mayan or Indian languages in addition to Spanish. The accords promised constitutional change to limit the army's role to defending Guatemala's borders — staying out of domestic matters.

A Truth Commission set up under the accords has begun work. It is much weaker than South Africa's, lacking the latter's power to grant amnesty to individuals who confess to political crimes — a strong incentive to come forward. Moreover, the Guatemalan commission is forbidden to name individuals responsible for crime; it can only identify institutions. But it still can tell Guatemalans something of what went wrong.

Someone visiting Guatemala for the first time finds it hard to understand how this beautiful country could have fallen into such horror. But one reason is plain: the policy, over many years, of the U.S. government.

In 1954, the Eisenhower administration overthrew the elected president of Guatemala, Jacobo Arbenz. A recent declassification of CIA documents showed that the CIA had a "disposal list" of 58 leaders to be assassinated and had trained Guatemalans to do the killing. In the event, that was deemed unnecessary.

In 1966, the United States began to "professionalize" the Guatemalan Army, sending in Green Berets and supplying military aid. The process turned the army into a killing machine: killers of its own people.

The United States cut off military aid to Guatemala in 1990, after human rights violations there had become notorious. But the CIA helped secretly.

Jennifer Harbury's effort to try and prove that her husband, a Guatemalan rebel leader, was murdered by the Guatemalan Army in 1992 brought admissions that the agency had on its payroll Guatemalan military officers it knew were killers.

The grim story of U.S. involvement in Guatemala was summarized in Foreign Policy last year by Suzanne Jonas. The Clinton administration is supposed to release more documents. But enough is known already to make clear that the U.S. role in Guatemala ranks as one of the cruelest products of America's obsession with perceived Communist threats during the Cold War.

Given that history, the United States has a profound obligation to help the peace accords work. Secretary of State Madeleine Albright made a wise gesture in May when she visited a remote camp in northern Guatemala where former guerrillas are being demobilized. But the administration took a damaging step when it urged Guatemala to use the army against drug trafficking.

Are the peace accords taking hold? The signals are mixed. There has been little progress on the constitutional changes. President Alvaro Arzu, who made the accords possible, puzzled supporters recently by reopening some military bases closed as a peace move. But no one is being killed, and that is reason enough for hope.

The New York Times

Microsoft and Apple

Two thousand Apple computer loyalists greet the return of their hero and Apple co-founder, Steven Jobs, at a Boston trade show, only to gasp as the looming picture of Apple's arch-enemy, Bill Gates of Microsoft, appears on a huge on-stage screen. It was Mr. Gates, after all, who copied Apple's visionary point-and-click system of computer commands, marketed it and drove Apple to near-collapse.

Mr. Gates and Mr. Jobs announced that Microsoft would inject more than $150 million into Apple and take other steps to guarantee Apple's near-term survival. Some Apple zealots in the audience hooted. Others sighed in relief. Virtually all were surprised and confused. Between them, Microsoft and Apple sell the operating systems that run most personal computers.

Odd or not, the bailout is good for both. Apple users are assured that their beloved company gets desperately needed cash and that Microsoft will continue to supply them up-to-date word processing and other applications software. Many would-be Apple buyers had been turning away out of fear that as Apple's market share shriveled, so would the programs made available for use on Apple machines.

The bailout is also good for Microsoft because it preserves a demand for its software programs designed to be compatible with Apple machines. But some suspect a Machiavellian purpose by Microsoft as well. Microsoft can now fend off antitrust charges by pointing out that Apple's continued existence will prevent Microsoft from acting as a monopolist. If Apple dies, Microsoft will appear nakedly monopolistic. Microsoft does pose a danger. It provides the operating systems for nearly all personal computers, except the fraction made by Apple and its clones. It also sells the software for these machines, including word processing programs, spreadsheets, Internet browsers and other applications.

Microsoft's strategy has been to tie more and more of these applications into its operating system, Windows, so that customers can buy the whole package in one purchase and get everything working together. For Windows customers, the integration is a great convenience. But there is a danger. If Windows customers end up buying Microsoft applications almost automatically, there will be less room for entrepreneurs to invent new applications that actually might be better than those made by Microsoft.

The government needs to make sure that Microsoft lives up to its legal obligations to make it commercially easy for other companies to write programs that work effortlessly under Windows. Otherwise the Microsoft rescue of Apple will be another step toward Microsoft hegemony.

— THE NEW YORK TIMES.

When the Lies Come From Above

By David Wise

NEW YORK — The admission by the Central Intelligence Agency that the air force lied about supposed sightings of unidentified flying objects three decades ago to conceal the government's secret spy planes comes as wonderful news to the flying saucer crowd. They are hailing the agency's disclosure as proof that aliens must have landed in New Mexico.

You don't have to believe in little green men to see the admitted deception as yet another example of official lying that has eroded public trust in government. According to a CIA study, most of the UFOs reported from the late 1950s through the 1960s were actually U-2 or SR-71 spy planes. Instead of ignoring the UFO reports, the government made what the study calls "deceptive statements to the public." The air force claimed that people who thought they had spotted UFOs had really seen ice crystals.

During the Cold War, political leaders regularly relied on "cover stories" to protect intelligence operations. When Francis Gary Powers was shot down in a U-2 in 1960, deep inside Soviet territory, the State Department assured the public that there had been no deliberate attempt to violate Soviet airspace. When President Dwight D. Eisenhower was forced to admit the truth days later, most Americans were shocked.

During the Kennedy administration, Arthur Sylvester, spokesman for the Defense Department, defended the government's "right" to lie if there was a threat of nuclear war.

But once the right to lie has been established, there is no drawing the line. Official deception may be convenient in the short term, but it fuels conspiracy theories.

The revelation that the CIA had not informed the Warren Commission of its efforts to use the mob in an assassination plot against Fidel Castro only added to mistrust of the commission's investigation of the murder of President John F. Kennedy.

The United States went to war in Vietnam after President Lyndon B. Johnson assured the public that American destroyers had been attacked with torpedoes in the Tonkin Gulf on Aug. 4, 1964. But there is evidence to suggest that attack never happened.

In the Watergate scandal, Richard Nixon sought to save his presidency by desperately invoking "national security" as the bogus cover for a politically motivated burglary. Public confidence in government eroded, along with respect for the presidency. The next decade brought the Iran-contra scandal and a new cycle of official lying.

In recent years, militia groups have emerged in the misguided belief that the government is the enemy. They and the UFO believers could create conspiracy theories even without admitted government deception.

But it is not unreasonable to suppose that there is a straight line running from the U-2 affair and the Bay of Pigs to such groups, with Watergate and Iran-contra as markers along the way.

There are alternatives to government lying: Tell the truth, remain silent or offer a "no comment."

Mr. Wise is author of "The Politics of Lying: Government Deception, Secrecy, and Power." He contributed this to The New York Times.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1897: Canovas Killed

PARIS — Senor Canovas del Castillo, the Spanish Premier, was assassinated by an Italian Anarchist. The motive of the crime is probably to be found in a desire to avenge the alleged ill-treatment of Anarchist prisoners. In this latest victim of the blind, undiscriminating terrorism, Spain and the civilized world have lost a man whose worth was universally recognised. Senor Canovas was the first to hoist the standard of Constitutional Monarchy in Spain, in 1868, when the revolution was triumphant.

1922: Prohibition Poll

PARIS — The latest official report on the effect of Prohibition in New York shows that men are now beginning to turn from "hooch," the falsely concocted liquid fire, to beer and ale, the alcoholic content of which is only about 5 per cent. A ballot is disclosing some interesting facts. The most pronounced of these are that virtually nobody would wish the country again to tolerate the saloon evil, that 63 per cent of the balloters would like the use of light wines and beers to be legalised, and a little more than 22 per cent desire the repeal of the Volstead Law.

1947: Peron's Award

ROME — The Vatican Protocol Section denied that there was "any political significance" in the recent Papal decoration of President Juan Peron of Argentina. The Vatican comment was in reply to a controversy provoked by a recent "Washington Post" editorial commenting that "The award was given because of the relief work President Peron has done since the war." President Peron was made a Grand Cross Knight of the Order of Pope Pius IX.

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Museum of Modern Art

"Untitled," by Dora Maar, 1935 — a slapstick image.

The Surreal Art Of Dora Maar

By Michael Kimmelman
New York Times Service

NEW YORK — During the mid-1930S, Dora Maar, who died last month at 90, took the photograph of a man thrusting his head into a Paris sewer while another man, whose own head is cropped out of the picture, stands at a distance behind him. The wonderful image is slapstick because you guess its sequel: The second man kicks the first in his upraised behind. But it's also a classic example of '30s French street photography.

The Surrealists and others, having looked at Atget's works in particular, realized that they had a ready-made subject in Paris and took to its boulevards. Brassai, Cartier-Bresson, Robert Doisneau and Roger Schall, whose "Paris de Jour" was a complement to Brassai's photographs of Paris night life, did in different ways what Maar was doing, combing the city for anything as delicious as this.

Maar, who was born in Paris and brought up in Argentina, fell in first with Breton and the Surrealists. Man Ray helped her. So did Emmanuel Sougez, the editor of L'Illustration, who was a gifted photographer of a different sort, and also Harry Meerson, the fashion photographer.

You can recognize this, on the one hand, in a Grand Guignolesque montage she called "*Le Simulateur*" (roughly, "The Faker"), which shows a Romanesque vault flipped upside down to resemble a velodrome, a boy, back arched to echo the curve of the vault, slipping down its slope.

And on the other hand you can see it in the clever portraits she took, like the one of the stage designer Christian Berard, wry and mischievous, with only his head perched above a font, as if he were John the Baptist on a silver platter.

That the news of Maar's death appeared in the papers nearly two weeks after she had died in mid-July seemed apt. For years she had been a recluse in her apartment on Rue de Savoie in Paris and at her house in Menerbes.

During the late 1950s there were a couple of small exhibitions of her modest and angelic landscapes, which she painted after abandoning photography. In reproduction (they are otherwise hard to find) the landscapes look romantic, economical and almost abstract, like Degas monotypes.

Unpeopled, "they represent, beyond question, a solitary's view of the world," observed John Russell in a foreword to Maar's 1958 show at the Leicester Galleries in London. Maar didn't even attend the London opening; she was in her hotel room painting a rose, she explained.

Of course, she might hardly have been remembered at all had it not been for her years with Picasso and the portraits he made of her while they were lovers during the 1930s and '40s.

Maar found him his studio at 7 Rue des Grands-Augustins, where she had taken amusing and affectionate photographs of rehearsals by Jean-Louis Barrault's October Group, a leftist theatrical troupe of the mid-'30s. After Picasso moved in, she took the more straightforward pictures for which she is still, unfortunately, best known: the ones of Picasso's "Guernica."

SO who was she? Her own photographs reveal a person of wit and style, unlike the crumbling figure whom Picasso fixed in the public's mind. His biographers stress her nervous breakdown after he dumped her for Francoise Gilot. But her friends remember her variously: as stubborn, proud, amusing, passionate in politics and love, intelligent.

Everyone recalls her oval face, extraordinary husky voice and bronze-green eyes. It's said that after Picasso she took up astrology and embraced mysticism, then became a devout Roman Catholic, an oblate. Having been in every sense a woman of the world, she quietly turned her back on it.

One thing is certain about her: She had the nerve to be an artist, not just Picasso's lover, which meant the inevitable comparison between her work and his, a ridiculous burden she had to bear throughout her life, ridiculous because it ultimately means nothing that she was not Picasso.

She was who she was, and if we would remember her even less well than we do now had he never met her, we might also remember her more for what she did in her own right.

Maar seems to have had abiding faith that history would give her her due, and she was remarkable in this day and age for selecting silence instead of the celebrity she might have earned by capitalizing on her years with the great man. She taught us the lesson that stubbornness is a stepchild of dignity.

Before Primary Colors: Unknown Mondrian

International Herald Tribune

LONDON — The question has been haunting art lovers since the event took place in the first decade of this century. What impulse drove some of the most accomplished painters who ever existed in the West away from figuration to abstraction?

Piet Mondrian's case is the most intriguing because of the genius, rarely acknowledged

SOUREN MELIKIAN

on this score, that he displayed as a landscape painter and also a flower painter before turning his back forever on the beauty of the world to which he had so deeply responded. A remarkable show, "*Mondrian: Nature to Abstraction*," at the Tate until Sept. 28, submits the enigma in 70 pictures and drawings.

Those who are only familiar with the panels of primary color ensconced in neat black grid patterns for which Mondrian is famous will stare in disbelief at the somber landscapes with a deeply Romantic feeling for nature that he first indulged in.

In one of his earliest incarnations, Mondrian painted in an understated Symbolist manner. "Forest" is a gem in that vein dating from around 1898-1900. The atmosphere of a Nordic tale emanates from these tree trunks, cut off by the upper side of the frame, which create a vibrant vertical rhythm softened by the delicate toned colors — pale purplish gray for the bark, rusty brown for the ground covered with dead leaves, a whitish shimmer over the horizon, suggestive of mist about to invade the forest.

There followed small-format landscapes that are all about bleak light and water reflections. In "Wax Candle Factory," done in 1900-1901, the indistinct mass of the low structure ripples under a pale gray sky, sending black reflections in the vast pool formed by a spreading river. Detail is almost absent, color nonexistent. All that matters is the balance of quasi-abstract volumes, and the shades of darkness.

The genre culminated in 1906, in little-known masterpieces bordering on abstraction and yet still perfectly identifiable as landscapes. "Evening on the Gein" shows a hillside symmetrically mirrored in the river in darker tones as the shadows close in. A close-up charcoal sketch of part of the same landscape gives a fascinating clue to what the artist was seeking in nature. In a quick zigzag

Haags Gemeentemuseum/ABC/Mondrian Estate/Holtzman Trust

Mondrian's "Red Mill," from 1910-11.

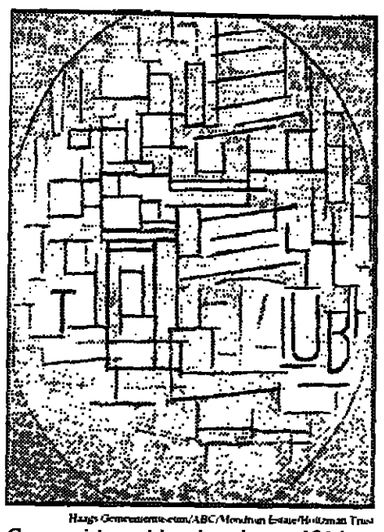
movement, Mondrian jotted down his impressions of the graded tones of gray and then drew an outline in one continuous stroke — contour and intensity was what the artist was concerned about at that point, not detail or specific color.

Gradually, he moved further away from nature as the eye sees it. In one oil sketch done outdoors in 1907, "Landscape With Cloud," the sky and the sea blend into a surface of tones of gray shot through with pale yellow streaks. It takes time to realize that the black strokes and smudges, nervously done in the foreground, represent the strand, perhaps with dunes or rocks. It looks like a landscape remembered from a dream.

Yet Mondrian had not become entirely oblivious to nature. "Large Landscape," also dated 1907, is one of the most beautiful landscapes ever painted by a Dutch master. The composition is classical, the atmosphere Romantic, the handling uniquely modernistic. Irregular bands of mauvish pink and greenish yellow alternate in the sky, like floating mountain ranges. A line of trees is suggested rather than depicted — dark shapes shredding away in the last glow of a winter sunset.

Within a year, natural sights became a mere excuse for the painter's color constructions. In "Mill in Sunlight," a windmill can be identified, only just. The composition glitters with red and yellow lines, shot through with dark lavender blue. It stands out against a backdrop of pearl gray touches in a yellow beehive pattern that bears no connection to the appearance of any sky.

By 1909 some of Mondrian's "landscapes" ceased to be recognizable. Without the title "Dune III," few would suspect what inspired the touches of pale blue and ocher arranged in festoons. The sky has been made into a drape of lavender blue pebble-like blobs. The effect is of an abstract mosaic, curiously anticipating some of Maria Elena Vieira da Silva's abstractions decades later.



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Composition with color planes, 1914.

WAS Mondrian's encounter with Cubism, which came in 1910, as significant as is generally made out? One wonders. Some "landscapes" and compositions painted in 1912 and 1913 simply look like spoofs of Picasso and Braque. The artist was fundamentally reticent to the essence of Cubism, i.e. to the analytical rendition of volume decomposed into juxtaposed planes. His "Composition Trees II" is an exercise in linear stylization. The phase was short-lived in any event. Rather than a direct influence, Cubism — or perhaps, more broadly, the Paris intellectual milieu — seems to have been the catalyst that turned Mondrian into a doctrinaire.

He abruptly swung toward geometricism. His linear stylization became rigid. By 1914, Mondrian was sailing well ahead of Cubism. "Composition III," in which thick black lines determine small panels lightly filled with pale hues, is resolutely flat, like some study for a stained-glass window.

For a while, Mondrian hesitated between linear design and studies in color without outline. "Composition With Color-Planes III," dating from 1917, could be a sampling of pastel colors for a dealer in house paint.

In 1919, Mondrian reconciled the seemingly conflicting trends by settling for checkerboards in which each compartment is painted a solid hue. He reached the end of his journey toward absolute abstraction in 1920 or 1921. He widened the compartments, slotted them between thick black lines and turned to primary colors — yellow, blue, red — adding also gray, which he declared to be another primary color. For the next quarter century, he was to vary endlessly the same geometrical arrangements of rectangles and squares.

It had become an obsession which extended to his own environment. At the beginning of the show, enlarged photographs of his Paris studio in 1932 and 1937 focus on the wall cupboards repeating the geometrical compositions of panels of solid color.

Unlike Picasso, Mondrian never tried to go back to the figural — not for public consumption. Privately, he still turned out, occasionally, exquisite flower paintings. Was it, perhaps, because he felt that a return to figuration was a failure, a shallow stylistic exercise? Or had he turned into a theorist locked up in his own slogans, mechanically trotting out his visual obsessions?

So far the artist has been praised to high heaven for the obsession in question, which sells in the millions of dollars, and has been given little credit for his earlier masterpieces. Perhaps it is time to think again.

The Spirited Frontier World of Fred Remington

By Phil McCombs
Washington Post Service

OGDENSBURG, New York — Fred Remington was truly one of the Big Guys. Ever since I was a kid, his work has stirred my mildly adventuresome spirit.

Now, in my hometown here in farthest upstate New York, they've opened a world-class museum of Remington's paintings and sculptures that capture the rugged splendor of the Old West and its inhabitants before the frontier faded at the turn of the century. The museum also shows lots of his lesser-known but beautiful paintings and sketches of the woods and rivers and local characters hereabouts.

My people, and his.

A hundred years ago, when my grandparents were kids, Fred was already famous.

"This is the North Country — the region ranging from the northern tier of the Adirondack Mountains to the St. Lawrence River and Canada — where Frederic Remington was born, spent his youth, and returned seasonally throughout his life," Atwood Manley and Margaret Manley Mangum say in "Frederic Remington and the North Country" (Dutton, 1988). "The North Country molded him, nurtured him, and impressed its customs and culture upon him."

Of course, what prophet is with honor in Ogdensburg? "Although he became the highest paid, most successful [magazine] illustrator of his day," the Manleys write, "in that little-known North Country world of his youth, Fred Remington was viewed, first, as the rambunctious and rowdy only child who was heir to two of [nearby] Canton's leading families, and, later, as the roistering fat man who painted pictures."

But what pictures!

Here in the museum are many of Remington's stirring works: "An Old Time Plains Fight," "The Snow Trail," "Ghost Riders in the Sky," "The Howl of the Weather" with those guys wrestling a canoe through stormy water, and — one of my favorites — the subtly colored "Evening in the Desert, Navajoes." The amazingly lifelike bronzes include "Coming Through the Rye" with four hell-raising cowboys, "The Bronco Buster" and "The Cheyenne."

THERE are wonderful interpretive sections in the museum, which actually has been around for years but was recently renovated.

"Charge of the Rough Riders," the megacanvas featuring a bespectacled and rather bellicose Teddy Roosevelt, reminded me that Remington covered the Spanish-American War for William Randolph Hearst in 1898 and was supposedly the recipient of Hearst's famous instruction: "You furnish the pictures and I'll furnish the war."

Remington and T.R. admired each other greatly, and in '07 the president-to-be speculated in Pearson's Magazine that the American frontier would "live in his pictures and bronzes, I verily believe, for all time." Remington tended to agree, allowing as how (this in a letter to a friend), "I am going to rattle down through all the ages."

He's off to a good start.

As I enjoyed the museum, I realized that beneath the Big Guy's bluster lurked a deeply sensitive side: There's great nobility in each of Fred's gripping portraits. While some modern scholars have tried to characterize him as merely a bigoted blowhard who slickly packaged nostalgic images, I didn't detect any whiff of discrimination by race, class or creed in his depictions of — as a museum caption writer, Kevan Moss, enumerates — "the world, the work and the spirit of the American cowboy, the frontier cavalry soldier, and the determined Native American warrior."

Every subject was treated with dignity. The portraits are realistic, yet romantic — "mythologized" is the word Moss and the museum's curator, Laura Foster, use.

Indeed, Foster and Moss note, Remington's immense popularity came from his ability to convey "a frontier world that appeared open, democratic and very exciting."

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Continued on Page 12

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Bundesbank Sends Mixed Messages on Lifting Rate

Compiled by Our Staff From Dispatches

FRANKFURT — A yearlong period of low German interest rates is priming the economy for faster growth, and the Deutsche mark's decline has changed considerations for setting policy, the Bundesbank's chief economist says.

German monetary policy "is clearly more expansive" than last year, Otmar Issing said in an interview with German financial daily Boersen-Zeitung to be published Saturday.

"The monetary policy climate has clearly changed through the development of exchange rates," he said.

Although the Deutsche mark fell Friday, the German currency has risen about 20 percent against the dollar this year.

While Mr. Issing's comments suggested a German rate increase was imminent, another Bundesbank council member, Ernst Welteke, said Friday there was no reason to raise German interest rates while inflation remained subdued.

"As long as there are no signs of inflation, the Bundesbank doesn't need to change its rate policy," Mr. Welteke said in an interview with the German radio station Deutschland Radio.

Mr. Welteke said high unemployment, 11.4 percent of the work force in July, and sluggish economic growth were keeping the lid on inflation, though he added there was "some danger" that inflation from higher import prices was accelerating.

Mr. Issing has been on the Bundesbank's council and its chief economist since 1990. He is viewed as the toughest rate-setter on the board.

Mr. Welteke is president of the Bundesbank's regional branch in the western state of Hesse and has been on the council since 1995. He was previously the state's economics and finance minister and is seen as a keen rate-cutter.

The conflicting policy views from central bank officials left analysts guessing how, if at all, the Bundesbank would act to support the struggling Deutsche mark.

There has been uncertainty about the Bundesbank's next possible move since July 24, when it decided to leave open its options on setting short-term interest rates.

But on Tuesday, the Bundesbank is due to set the next repurchase rate, which is its main money-market rate.

"We have been left with the classic Bundesbank ability to keep us guessing," said David Brickman, an economist at Yamaichi International in London, adding that that was the Bundesbank's intention. *(Bloomberg, Reuters)*

READY TO GO — Li Ka-shing's development site in Beijing, where the Hong Kong-based tycoon plans soon to resume construction work on the Oriental Plaza project. After a series of delays, including one called to evaluate archeological finds, China's State Council recently authorized a permit to restart the project.

Robyn Beck/Agence France-Presse

Ringgit Poses Dilemma for Malaysia

Compiled by Our Staff From Dispatches

KUALA LUMPUR — For a while, it seemed Malaysia was caught between a rock and a hard place.

It was unwilling to let its currency drop in value the way its neighbors have, yet its stock market and economy were creaking under the strain of the high interest rates imposed to defend the ringgit.

"Something's got to give, and it's most likely the ringgit," said Manmindar Singh, regional economist at Nomura Singapore. "They're going to have a lot of problems if interest rates stay where they are," he said.

On Friday, Prime Minister Mahathir bin Mohamad signaled that the country would not take steps to defend the currency further.

"We're satisfied with the ringgit's current level," he said. "Even if the value falls, we will do nothing because we're confident" that the currency will recover.

The dollar was quoted at 2.6540 ringgit, up from 2.6405 the day before. The dollar has strengthened as much as 5 percent since the start of the year.

Mr. Mahathir said "even if we defend" the ringgit, speculators will profit from the defense, "so we will not give him the profit."

He also said that as long as people like George Soros, the U.S. financier, can fiddle around with other people's currency, "no country is safe."

Last month, Mr. Mahathir assailed currency speculators, whom he called "self-serving rogues" and "international manipulators," out to destroy the economies of Southeast Asia. He accused Mr. Soros in particular of plotting to undo several decades of Malaysia's economic progress through currency speculation.

Mr. Soros has denied those accusations and has said he wants to meet with Mr. Mahathir.

In the cause of defending the currency, the Malaysian central bank has

ECONOMIC SCENE

forced up interest rates and imposed capital controls, including this week's restrictions on swap transactions between Malaysian banks and foreigners.

Stocks have taken a drubbing because of the high rates, and Malaysia's businesses are being pinched by higher borrowing costs.

Meanwhile, high money-supply data for June and growth in loans to nonproductive sectors have prompted fresh concerns about the economy, analysts said Friday.

June broad money aggregate M3 showed a year-on-year increase of 21.9 percent, compared with a rise of 20.1 percent in May, with overall loan growth of 1.9 percent — or 6.7 billion ringgit ($2.52 billion) — from May's rise of 2.1 percent, the central Bank Negara said.

In Malaysia, M3 is the sum of money in circulation plus the private sector's current and savings accounts, fixed deposits with finance institutions, negotiable instruments of deposits and repo transactions.

There are concerns that loans are not being made to productive areas of the economy, with lending to asset-related sectors growing at 32.6 percent in June against a 36.6 percent rise in lending to nonproductive sectors.

"It's certainly not helpful toward solving the balance of payments if lending is made to nonproductive sectors," said Ramon Navaratnam, a former treasury official.

Malaysia's soaring June trade deficit of 2.8 billion ringgit has already left dark clouds hovering over the economy for the second half of the year.

Other economists are skeptical that the lending curbs would have an effect in curtailing growth given the many exemptions and possible loopholes in implementing them.

Recent data have indicated that a rebound in domestic spending is taking place, the economists said, with consumer loan growth up very sharply, a worrying development given the fact that export growth is very sluggish. *(Bloomberg, AFP)*

BHP Shares Tumble As Top Oil Man Goes

3d Resignation Sharpens Concern

Compiled by Our Staff From Dispatches

MELBOURNE — Broken Hill Pty., Australia's largest company, lost its third senior executive in three days Friday amid growing concern about the board's control of managers and the company.

John O'Connor resigned as executive general manager of BHP Petroleum and a director of the company after announcements earlier in the week that Dick Carter, head of the company's minerals division, and Geoff Wedlock, head of its iron-ore unit, would resign at the end of the month.

News of the latest departure came shortly before the close of trading and sent the group's already shaky share price down, forcing the Australian stock market to a lower close. BHP closed 45 cents lower at 16.99 Australian dollars ($12.54), and the All Ordinaries Index lost 6.40 points to 2,711.40.

The departures fueled investors' concern about the stability of BHP's management and its ability to return the Melbourne-based resources company to robust profit growth.

Mr. O'Connor resigned because of "irreconcilable differences between him and the rest of the board," Jerry Ellis, BHP's chairman, said in a statement.

Those differences, investors said, were caused by Mr. O'Connor's determination to pursue a 10 billion-dollar public sale of BHP's petroleum division. The board rejected his plan.

"Something had to break once word got out that John O'Connor wasn't very happy," said Neil Boyd-Clark, resources analyst at Norwich Australia Investment Management. "Obviously it's a concern."

Another analyst said: "In a company like BHP, anyone going outside the company framework talking about what he wanted to do and discussing that outside is pushing their luck. From a company discipline view, it was inevitable it was going to happen."

The appearance of turmoil in the wake of Mr. O'Connor's resignation and other executive resignations this week, analysts said, would in the short term be negative for BHP's shares.

Meanwhile, BHP shored up support for John Prescott, its managing director. Jerry Ellis, the chairman, said: "The board has unanimously confirmed its support for John Prescott as the managing director, for the business strategies being pursued by the senior management of the company and for the progress being made. There is absolutely no dissension on this point."

BHP said Philip Aiken, executive general manager of corporate development, would become acting executive general manager for the petroleum division.

Mr. O'Connor joined BHP in 1994 from the U.S.-based oil company Mobil Corp.

The boardroom shuffle will probably add to international perceptions that much of the Australian resources sector is poorly managed, the head of an institutional dealing desk said.

"I'm sure it will take a hit here and overseas tonight, but the underlying assets are good, and some people will see it providing ample opportunity to buy," one analyst said.

"They have got rid of the one guy who appeared to be the leading light there, the one businessman who appeared to be running his business in a very clean, efficient fashion," he said. "You'd think that the international perception would be that the company is in a state of shambles."

BHP is conducting a worldwide review of its operations after posting a loss of 712 million dollars for its fourth quarter, which ended May 31, cutting its full-year earnings to 410 million dollars.

BHP announced Wednesday that it was close to completing its evaluation of assets and its review of business performance.

BHP Petroleum was the best-performing division in the 1996-97 financial year, with a net profit of 676 million dollars, a rise of 105.5 percent.

The company has exploration and production assets on the Bass Strait oil fields off the coast of Victoria, the North West Shelf off Western Australia and in the Gulf of Mexico. It sold its stake in the Dai Hung field off Vietnam in late 1996. BHP is an equal partner with operator Exxon Corp. in the Bass Strait fields, which produce about 200,000 barrels of oil a day, well down from their 1980s peak of more than 500,000 barrels. *(Bloomberg, Reuters)*

Citibank Gives Ads to One Agency

By Stuart Elliott
New York Times Service

NEW YORK — In what is probably the largest shift in the history of Madison Avenue, Citibank has unexpectedly announced that it will consolidate virtually all of its worldwide advertising and direct-marketing assignments at a single agency, Young & Rubicam Inc.

Estimates of Citibank's actual or planned annual billings for the assignments involved — which include campaigns for consumer and corporate banking, credit cards and burnishing the Citibank image, as well as telemarketing, direct mail, brochures and sundry other sales pitches — ranged from $500 million to $700 million.

Decisions that unite disparate accounts at a single agency have become increasingly common this decade as multinational companies in intensely competitive categories — such as Citibank in financial services — seek to spend their marketing-communications dollars more efficiently and improve the effectiveness of their sales pitches.

Citibank, the consumer bank unit of Citicorp, operates in 98 countries and is the world's largest issuer of Visa and MasterCards, issuing a total of 63 million cards. The company has repeatedly shaken up top management and reorganized its operations in efforts to get its consumer bank and credit-card units to cooperate and better compete against regional and international rivals.

The record for a consolidated account was set in May 1994, when International Business Machines Corp. awarded contracts worth from $400 million to $500 million to Ogilvy & Mather Worldwide, a subsidiary of WPP Group PLC.

Citibank executives said Thursday that their billings were of the same magnitude as those of IBM. They also gave similar reasons for their decision.

"No. 1 on the radar screen of our entire senior management is 'One brand, one voice,'" said Brian Ruder, executive vice president for global marketing at the global consumer-bank unit in New York. He added: "In financial services, the opportunity to establish a pre-eminent global brand is a vacant throne. This is an opportunity to seize that throne."

The assignments moving to Young & Rubicam, the world's fifth-largest advertising agency, with billings last year of $12 billion, had primarily been handled by three giant worldwide rivals, all based in New York: Foote, Cone & Belding; Lowe & Partners/SMS, and J. Walter Thompson Co. Each has worked for Citibank for at least 15 years.

Citibank and Y&R have already worked together through Burson-Marsteller, the Y&R public relations unit. And an agency in Japan jointly owned by Y&R and Dentsu Inc. has handled ad assignments with billings of $15 million.

The decision by Citibank stunned the advertising industry because it came without warning, and the agencies only learned of their dismissals Thursday morning.

Tobacco Revelations Raise Ethics Questions

AFX News

WASHINGTON — The previously sealed Liggett Group documents ordered released by a Florida state court this past week raise troubling questions about how the tobacco industry may have used its lawyers to hide information about the health effects of smoking, analysts and legal experts said Friday.

The documents are expected to play a major role in smokers' lawsuits against the industry, analysts said.

As a result, the industry is expected to redouble its efforts to win speedy approval by Congress of the proposed $368.5 billion settlement agreement with state attorneys general before more suits are heard by juries.

"There is a whole lot of trouble brewing for the industry with these documents," said Professor Richard Daynard, head of the Tobacco Products Liability Project at Northeastern University in Boston. "I think it's going to make the industry more desperate for it to pass."

Analysts said the documents clearly suggest the major cigarette makers improperly used their own lawyers — who met together under a framework known as the Committee of Counsel — to shield themselves from liability by allowing the lawyers to block potentially damaging scientific research from being conducted or from becoming public.

Under U.S. law, communications between clients and their attorneys are considered private and cannot be obtained or used in courts.

This right is known as the attorney-client privilege.

But legal experts said the tobacco industry used this privilege to hide facts relating to concerns about the impact of smoking on health.

Any potentially damaging material was stamped as attorney-client privilege.

"This is a gross overextension of the client attorney privilege, and I think it will have a negative impact on juries," said Professor John Coffee, a Columbia University law professor.

"What you are seeing was lawyers being used as a veil or screen from company conduct, which management usually would have been subject to public disclosure," he said.

For example, one of the Liggett documents is a 1986 internal legal report by RJR Nabisco Holding Corp.'s RJ Reynolds Tobacco Co.

This document noted that toxicologists hired by the company "generally believe that tobacco is [at least] a risk factor in human disease" and also noted that a top researcher at the Lorillard Co. had been "thwarted" by tobacco lawyers from testing the safety of cigarette ingredients.

Another document is a May 1964 memo, where lawyers at the firm of Arnold, Fortas & Porter, while working for the industry, discussed destroying results of a survey if the "returns were unfavorable" so they could not be used against the industry by federal regulators.

For investors, the Liggett documents are of less concern than the tobacco settlement, said Brian Eisenbarth, a tobacco analyst with Collins Co.

CURRENCY & INTEREST RATES

Cross Rates

Aug. 8

	$	£	D.M.	F.F.	Lira	D.Fl	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	2.088	3.295	1.1268	0.3343	0.1155*	—	5.456*	1.3819	1.7945*	1.5025	1.335*
Brussels	38.70	60.8875	20.65	6.12	2.1179*	18.3225	—	25.34	0.3278	27.86	24.51*
Frankfurt	1.8655	2.933	—	0.2965	0.1024*	0.8875	4.8425*	1.222	1.5865*	1.343	1.1853*
London (a)	1.5784	—	2.9249	9.8587	2,852.72	3.2958	60.4212	2.3848	182.985	2.196	246.638
Madrid	157.84	247.401	84.382	25.026	8.645*	74.891	4.0961	103.16	133.603*	112.941	—
Milan	1,821.70	2,861.10	975.50	289.30	—	866.60	47.21	1,193.60	15.476	1,312.05	11.571
New York (b)	—	1.5875a	1.8455	6.2163	1,803.00	2.0792	38.17	1.5097	114.825	1.3901	156.905
Paris	6.274	9.886	3.3719	—	0.3455*	2.9926	0.1633	4.1222	5.3387*	4.513	3.9965*
Tokyo	118.65	188.55	63.34	18.78	8.65	56.73	3.0683	77.40	—	85.53	0.751
Toronto	1.39	2.2045	0.7527	0.2233	0.077*	0.6685	0.3642*	0.9207	1.2108*	—	0.8892*
Zurich	1.5035	2.376	0.8161	0.2407	0.0835*	0.722	3.9289*	—	1.3078*	1.0807	0.9614*
1 ECU	1.0802	0.6729	1.9726	6.6518	1,925.58	2.2227	40.7388	1.6137	124.597	1.4739	166.433
1 SDR	1.3467	0.8575	2.5122	N.Q.	2,445.84	2.8233	52.1464	2.056	159.337	N.Q.	211.40

Closings in Amsterdam, London, Milan, Paris and Zurich, fixings in other centers; New York rates at 4 P.M. and Toronto rates at 3 P.M.
*a: To buy one pound; b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9999	Greek drac.	291.91	Mex. peso	7.805	S. Afr. rand	4.688
Australian $	1.3708	Hong Kong $	7.7414	N. Zealand $	1.5726	S. Kor. won	894.30
Austrian sch.	13.125	Hung. forint	200.36	Norw. krone	7.636	Swed. krona	8.002
Brazil real	1.0851	Indian rupee	35.72	Phil. peso	228.30	Taiwan $	28.74
Chinese yuan	8.3203	Indo. rupiah	2590.0	Polish zloty	3.51	Thai baht	30.90
Czech koruna	34.73	Irish £	0.6994	Port. escudo	188.74	Turkish lira	162730
Danish krone	7.0875	Israeli shek.	3.5305	Russ ruble	5806.0	UAE dirham	3.6705
Egypt. pound	3.3938	Kuw dinar	0.303	Saudi riyal	3.75	Venez. boliv.	494.50
Fin. markka	5.5744	Malay. ring.	2.654	Sing. $	1.4778		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.5720	1.5693	1.5666	Japanese yen	117.05	116.52	116.04
Canadian dollar	1.3863	1.3839	1.3819	Swiss franc	1.5209	1.5154	1.5104
Deutsche mark	1.8609	1.8569	1.8533				

Sources: ING Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo).

Libid-Libor Rates

Aug. 8

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU
1-month	5 9/16 - 5 11/16	3 1/16 - 3 1/8	1 5/16 - 1 7/16	6 15/16 - 7 1/16	3 3/16 - 3 5/16	7/16 - 9/16	4 3/16 - 4 5/16
3-month	5 9/16 - 5 11/16	3 1/8 - 3 1/4	1 3/8 - 1 1/2	7 1/16 - 7 3/16	3 5/16 - 3 3/8	1/2 - 5/8	4 1/4 - 4 3/8
6-month	5 5/8 - 5 3/4	3 1/4 - 3 5/16	1 1/2 - 1 5/8	7 1/8 - 7 1/4	3 3/8 - 3 1/2	1/2 - 5/8	4 5/16 - 4 7/16
1-year	5 7/8 - 6 1/8	3 7/16 - 3 1/2	1 3/4 - 1 7/8	7 5/16 - 7 7/16	3 9/16 - 3 11/16	5/8 - 11/16	4 3/8 - 4 1/2

Sources: Reuters, Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

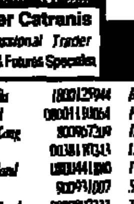
United States	Close	Prev
Discount rate	5.00	5.00
Prime rate	8 1/2	8 1/2
Federal funds	5 3/4	5 1/2
90-day CDs dealers	5.63	5.59
180-day CP dealers	5.51	5.51
3 month Treasury bill	5.14	5.15
1-year Treasury bill	5.28	5.22
2-year Treasury bill	5.99	5.90
5-year Treasury note	6.22	6.10
7-year Treasury note	6.28	6.14
10-year Treasury note	6.36	6.20
30-year Treasury bond	6.64	6.49
Merrill Lynch 30-day RA	5.13	5.12
Japan		
Discount rate	0.50	0.50
Call money	0.41	0.41
1-month interbank	0.50	0.51
3-month interbank	0.56	0.58
6-month interbank	0.58	0.60
10-year Govt bond	2.35	2.36
Germany		
Lombard rate	4.50	4.50
Call money	3.16	3.18
1-month interbank	3.17	3.16
3-month interbank	3.26	3.26
6-month interbank	3.36	3.36
10-year Bond	5.94	5.67
Britain		
Bank base rate	7.00	7.00
Call money	7 1/16	7.00
1-month interbank	7 1/16	7.00
3-month interbank	7 1/8	7 1/8
6-month interbank	7 1/4	7 1/4
10-year Gilt	7.09	6.98
France		
Intervention rate	3.10	3.10
Call money	3 3/16	3 3/16
1-month interbank	3 1/4	3 1/4
3-month interbank	3 5/16	3 1/4
6-month interbank	3 3/8	3 3/8
10-year OAT	5.75	5.75

Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo-Mitsubishi, Commerzbank, Credit Lyonnais.

Gold

	A.M.	P.M.	Ch'ge
Zurich	322.15	323.00	+ 1.65
London	321.60	323.70	+ 2.70
New York	325.50	330.40	+ 4.90

U.S. dollars per ounce. London official fixings; Zurich and New York opening and closing prices; New York Comex (Dec.)
Source: Reuters.



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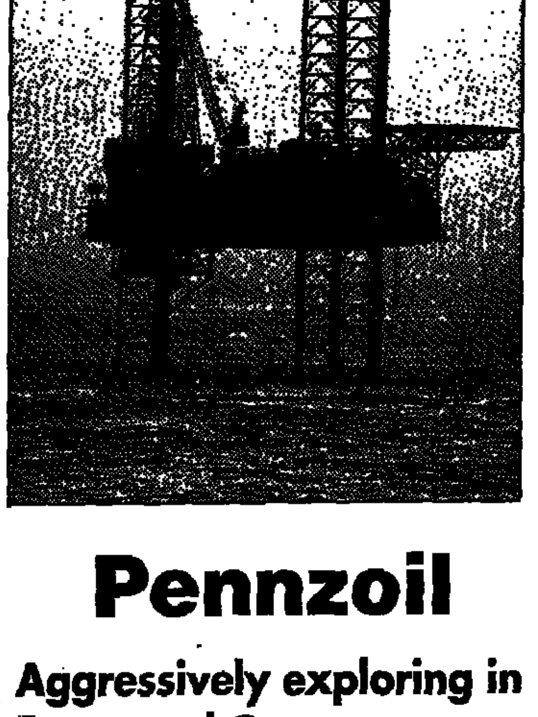

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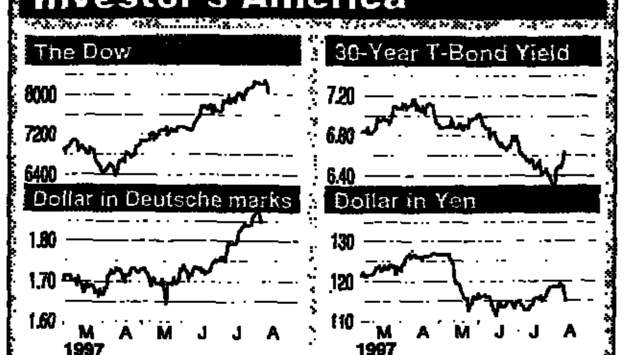

Exchange	Index	Friday @4 P.M.	Prev. Close	% Change
NYSE	The Dow	8031.22	8188.00	-1.91
NYSE	S&P 500	933.54	951.19	-1.86
NYSE	S&P 100	909.33	928.18	-2.03
NYSE	Composite	483.79	492.62	-1.79
U.S.	Nasdaq Composite	1598.52	1624.18	-1.58
AMEX	Market Value	646.15	652.08	-0.91
Toronto	TSE Index	6872.40	6952.30	-1.15
Sao Paulo	Bovespa	12146.82	12370.26	-1.81
Mexico City	Bolsa	5087.32	5193.96	-2.05
Buenos Aires	Merval	846.68	847.21	-0.06
Santiago	IPSA General	5581.73	5709.45	-1.43
Caracas	Capital General	9344.05	9508.39	-1.73

Source: Bloomberg, Reuters International Herald Tribune

NASD to Ease Lawsuits Rule

By Peter Behr
Washington Post Service

WASHINGTON — The board of the National Association of Securities Dealers Inc., which regulates America's stockbrokers, has voted to eliminate rules that had blocked brokers from filing job-discrimination and sexual-harassment lawsuits.

The NASD also said it would require the taping of telephone calls between brokers and customers at companies that hire a high percentage of brokers from other companies that have been shut down for disciplinary reasons. In addition to overseeing the nation's 545,700 brokers, NASD runs the Nasdaq stock market.

Current NASD rules require brokers to submit workplace disputes, to industry arbitration panels, a process that puts employees at a disadvantage, according to critics.

Arbitration panels still would be used to resolve disputes between investors and brokers, which made up 98 percent of the 5,631 cases that went to arbitration last year. The new process would take effect one year after approval by the Securities and Exchange Commission.

"We continue to believe that arbitration is more efficient, less expensive and has served employees and brokerage firms well in resolving disputes in the overwhelming number of cases," Frank Zarb, the NASD's chairman and chief executive, said Thursday. "However, for cases that allege a violation of a person's civil rights, employees will have a choice to have their claim heard in court."

An SEC commissioner, Steven Wallman, said the change was a step in the right direction.

"There is nothing special about the securities industry that provides it either the obligation or the right to dictate terms of employment for nonsecurities-related matters," Mr. Wallman said in June. He said Thursday, however, that securities companies still could require arbitration in discrimination and harassment cases even if the NASD requirement were eliminated.

"To be honest, the industry will be slow to change," he said. "My guess is that many firms will want to maintain the status quo."

But those that continue to require arbitration may have more difficulty hiring brokers than those that abandon the requirement, he said.

The taping of calls would be required at any company that hires 20 percent to 40 percent of its brokers from a firm that had been expelled from the industry in the previous two years, the NASD said. The requirement would take effect after SEC approval.

"Firms that hire a concentration of brokers from a firm with an egregious disciplinary history have an obligation to the investing public to ensure that those brokers are properly supervised and conduct themselves appropriately," Mr. Zarb said.

Wall Street Is Stricken With Inflation Jitters

Compiled by Our Staff From Dispatches

NEW YORK — Stock prices plunged Friday, hurt by a sharp selloff in the bond market that pointed to renewed investor worries about inflation.

The Dow Jones industrial average fell 156.78 points, to 8,031.22. The drop was the steepest since June 23.

"The equity market is taking its cues from the long end of the yield curve," said Phil Orlando, chief investment officer of Value Line's Asset Management division.

Selling was widespread, and other market gauges also tumbled. The technology-heavy Nasdaq Composite Index fell 25.66 points, to 1,598.52, and the S&P 500-stock index was down 17.65, at 933.54.

Bond prices began falling Thursday after a mixed market reaction to the U.S. Treasury's auction of $10 billion of 30-year bonds.

Wall Street firms are now struggling to sell $38 billion of new Treasury debt before reports on inflation and retail sales next week.

"It's just ugly," said Laura Koller, a government bond trader at Aubrey G. Lanston & Co.

John Burgess, a manager at Bankers Trust Global Investment Management, said, "The dealers are now reauctioning the auction at a lower price."

The benchmark 30-year Treasury bond fell 1 22/32 in price, raising its yield to 6.64 percent from 6.49 percent Thursday.

Stock investors became worried when the bond's yield pushed above 6.50 percent, analysts said.

"With the bond market off that much, everybody has to recalculate the cost of borrowing, the cost of money and the cost of holding positions," said Doug Meyers, vice president of equity trading at Interstate/Johnson Lane.

The rising bond yields also created anxiety before reports due next week — including consumer and producer price data and a national retail sales report — that will give investors further insight into economic growth and inflation.

"There has been a fairly significant shift in sentiment," said

U.S. STOCKS

Richard Cripps, chief market strategist at Legg Mason Wood Walker.

"People are thinking the upcoming numbers will paint a picture of faster economic growth than they did two weeks ago," he said. "That raises the risk of inflation pressures and higher interest rates."

Federal Reserve Board policymakers are to meet Aug. 19 to consider their next move on rates. They raised short-term rates March 25, the first increase in more than two years, in an effort to ward off inflation, but have held them steady since.

The rise in bond yields dragged down shares of banks such as Citicorp, whose profit margins tend to shrink when interest rates climb. Citicorp fell 2 7/16 to 134 1/16, NationsBank lost 2¾ to 65⅞, and J.P. Morgan fell 2⅞ to 110⅜.

Gold-mining companies also were among the few gainers, reflecting gold's role as a hedge amid rising inflation. Barrick Gold rose 15/16 to 23 11/16, Newmont Mining rose 1 9/16 to 43 1/16, and Placer Dome climbed ⅞ to 18⅛.

Exxon declined 2⅛ to 62, and Mobil fell 1 13/16 to 72⅞, leading other oil shares lower.

Electronic Data Systems dropped 6 5/16 to 36⅞ after it said second-quarter earnings went down 22 percent, below estimates, and warned that profit would fall short of forecasts for the rest of the year. EDS earnings fell to 39 cents a share, 6 cents below forecasts of analysts polled by First Call.

Informix dropped 1 3/16 to 9⅛ after the maker of database software said it would restate 1996 earnings because it had overstated revenue by $70 million to $100 million. It did not estimate how much the restatement would reduce net income.

America Online fell 1⅛ to 70⅛ after reporting that profit fell 32 percent, less than expected. The on-line service's net income fell to 9 cents a share, beating expectations.

Coca-Cola fell 3⅞ to 62 11/16 on a lukewarm profit forecast.

(Bloomberg, Reuters)

Very briefly:

News Corp. Bid for Heritage Cleared

DALLAS (AP) — The antitrust division of the U.S. Justice Department has decided against raising objections to News Corp.'s $1.3 billion agreement to buy Heritage Media Corp. of Dallas, the companies said Friday.

Heritage Media, which owns six television stations and 24 radio stations, will hold a special shareholders' meeting Monday to consider the proposed merger. If approved, the deal is expected to be closed quickly, the companies said.

Strike Against UPS Enters 5th Day

WASHINGTON (AP) — The Teamsters union strike against United Parcel Service of America Inc. entered its fifth day Friday as talks to end the work stoppage failed to yield any progress on issues ranging from pensions to part-time work.

"We're talking about all the major problems," Teamsters President Ron Carey said as he left a session with a federal mediator, but "the only thing that we agreed to do is to meet."

- **Fruit of the Loom Inc.**, the apparel maker, said it would fire 4,800 workers at six plants, including one plant that will be closed completely, to cut costs.
- **Fine Air Services Inc.** scrapped its initial public offering after the Thursday crash of one of its cargo planes near Miami. Alex. Brown & Sons Inc., which managed the offering, said it planned to go back to the market within 30 days.
- **General Motors Corp.** lowered its estimated North American vehicle production for the third quarter by 21,000 vehicles from its previous estimate last month, blaming two strikes in Michigan. It now plans to build 1.29 million cars and trucks, up only 2.3 percent from the period a year earlier.
- **Mobil Corp.** agreed to sell its 50 percent stake in Arizona's Desert Mountain residential development to Crescent Real Estate Equities Co. for $139 million, marking the end of its foray into real estate.

AP, Bloomberg

Telia Wins Sao Paulo Franchise

Compiled by Our Staff From Dispatches

BRASILIA — Telia AB of Sweden agreed to pay 1.33 billion reals ($1.22 billion) for the right to set up a second mobile-phone system in the Sao Paulo state, more than double the government-set floor price of $600 million.

The telecommunications company won the right to operate a cellular system on a new bandwidth in Sao Paulo state, one of the nation's wealthiest and most populous regions, but the franchise excludes the city of Sao Paulo itself.

Telia has a 49 percent stake in its bidding group. Primax Electronics Ltd., a Taiwan-based technology company, has a 40 percent stake in the venture, and a company called Eriline has 11 percent.

Telia was betting that immense pent-up demand would justify the price it paid for the right to compete with Telecomunicacoes de Sao Paulo SA, the state-controlled company that is currently the only provider of cellular service in the state. Sao Paulo has a population of 17 million excluding its capital, which is the world's third-largest city.

Separately, a BellSouth Corp.-led group won the right to provide mobile-telephone service in several states in Brazil's northeast, paying 556 million reals for the license.

Atlanta-based BellSouth, together with Brazil's Safra financial group, the O Estado de S. Paulo media group and telephone-equipment provider Splice, bid more than twice the government's minimum asking price of 230 million reals. The license allows the group to provide service in the states of Alagoas, Ceara, Pernambuco, Paraiba, Rio Grande do Norte and Piaui in Brazil's poor northeast region. *(Bloomberg, AFX)*

MARKETS: *Burgeoning Japanese Trade Surplus Pulls Dollar Back a Notch*

Continued from Page 1

choice but to turn a blind eye, given the feebleness of the economic recovery. Although the dollar fell to 114.825 yen in late trading Friday from 118.425 yen Thursday, it stood at only 108 yen a year ago.

"There are some views that Japanese authorities will allow the yen to weaken further in order to support exporters and prop up Tokyo share prices," said Mineko Sasaki-Smith, chief economist with Credit Suisse First Boston Securities in Tokyo.

Japan's exports rose 12.4 percent in June from a year earlier, while imports rose 10.2 percent. For the first six months, the surplus rose 40.4 percent, to 5.054 trillion yen.

FOREIGN EXCHANGE

The dollar's weakness against the yen combined with interest-rate fears that hit stocks and bonds to send the U.S. currency lower.

"It's all dollar-yen," said Richard Vullo, vice president of corporate sales at Hypo Bank.

The dollar also weakened against the mark, with conflicting statements from Bundesbank officials providing little clue for investors.

The dollar was quoted at 1.8455 DM in late trading, down from 1.8680 DM on Thursday.

The pound also was weak amid uncertainty over the future of British interest rates. The Bank of England raised its key lending rate Thursday, to 7 percent, but it said interest rates had then reached "a level consistent" with the government's inflation target. Dealers at first interpreted this as signaling the end of the cycle of rate increases, and that drove the pound lower Thursday.

But Friday morning, the London currency market seemed to be divided about the future of British interest rates. The pound fell slightly to $1.5875 in 4 P.M. New York trading from $1.5884 on Thursday. The dollar was also at 1.5097 Swiss francs, down from 1.5293 francs, and at 6.2183 French francs, down from 6.3015 francs.

(Reuters, AP, Bloomberg, AFP, Market News)

AMEX

Friday's 4 P.M. Close

The top 300 most active shares, up to the closing on Wall Street.
The Associated Press.

Stock	Sales	High	Low	Latest	Chge
AMC	194	20	19⅝	20	-⅛
ARC	535	5⅝	5⅛	5⅛	-⅛
ARM Fn s	328	20⅞	20	20⅞	—
AdmRsc	312	15¼	13¾	14	-1¼
AirWat	280	4⅛	3⅞	4	+⅛
AHosgan	191	16⅛	16	16⅛	+½
AlldRsh	507	10⅝	10⅛	10⅝	—
Alpnstr	1182	14⅞	14¼	14⅞	-⅛
AllLivng s	535	25½	24⅞	24¾	-⅛
Amdhl	14137	11¼	11⅛	11⅛	-⅛
AmesC n	258	4⅞	4⅝	4⅞	+⅛
AExpl	589	15⅛	15	15⅛	-⅛
AIM 85	130	14⅞	14⅛	14⅞	-⅛
AIM 86	167	11⅞	11¾	11⅞	+⅛
AmerPag	606	3	2⅞	2⅞	+⅛
AScE	137	9⅝	9⅜	9⅝	+⅛
Ampal	268	6⅛	5⅞	6	—
Ampex	3019	5⅛	4⅞	4⅞	-⅛
Andrea	7322	25	19⅛	23⅞	+5⅜
ArmorH	264	11⅝	10¾	10¾	-⅛
AstLivng s	292	16⅛	16	16⅛	-⅛
Autotc	773	9⅝	9⅛	9⅜	-⅛
Audvox	1280	8	7⅞	7⅞	—
AudSer	155	3⅞	3⅞	3⅞	-⅛
AutorEl	393	1⅝	1½	1⅝	-⅛
Azco	620	1⅛	1⅛	1⅛	-⅛
BAT Ind	2447	16⅝	16⅛	16⅝	-⅛
BFX Hosp	291	2⅞	2⅞	2⅞	-⅛
Baker	218	8⅛	7⅞	8	—
Balchy s	2765	18⅞	17⅜	18⅛	+⅛
BarrLab s	236	43⅞	42⅜	42⅞	-⅛
BSNk wt97	127	6	5⅜	5⅜	-⅛
BenoGold	4286	6⅛	5⅞	6⅛	+⅛
BestPh wt	258	⅛	⅛	⅛	+⅛
BethCp	108	2⅞	1⅞	2⅞	—
BlairCp	176	15⅞	15⅜	15⅜	-½
BlondT	220	10⅛	10	10	-⅛
Bodde	103	14½	14½	14½	+½
BogenC	185	4⅞	4⅞	4⅞	—
BoltTch n	402	5⅞	5½	5⅝	-½
Bowtar	150	2½	2⅜	2⅜	-⅛
Bowne	656	31¾	31⅛	31⅛	-⅛
Brandyw s	3088	22½	21½	21½	-⅛
BrilDig n	592	9⅞	8⅞	9⅞	-⅛
CE Frnk g	117	7⅛	6⅞	7	-⅛
CFX Cp	108	19⅛	18⅞	19	-⅛
CIM	219	8	8	8	—
Cabltrsn	348	5⅞	5⅜	5⅞	-1¼
Cablvs pf	796	29⅞	28⅞	28⅞	-½
Calton	418	½	½	½	-⅛
Cambior	198	11⅞	11⅛	11⅞	+⅛
Canbre	123	48⅛	48	48	—
CdnOccd g	529	26⅛	26⅛	26⅛	-⅛
CanyonRs	295	2⅞	2⅞	2⅞	+⅛
Careastr s	115	25⅛	25	25⅛	-⅛
CelSci	906	3⅞	3⅞	3⅞	-⅛
CFCdn g	194	3⅞	3⅞	3⅞	—
ChadThr	226	8⅛	8½	8⅞	+⅛
Chief	212	22⅛	22⅛	22⅛	-⅛
Cognitrn	461	16⅛	15⅞	16⅛	-⅛
ColLb	2019	18⅛	17⅞	18	-⅛
Comforce	818	8⅞	8½	8⅝	-⅛
CmclAsf	373	6⅞	6⅛	6⅛	-⅛
CmdeAp	107	5⅞	5	5⅞	—
CompTch	146	11⅞	11⅛	11⅞	-⅛
CmpMan	185	15⅛	15⅛	15⅛	—
Contnwce	658	7⅛	6⅞	6⅞	+⅛
Cnom	237	9⅛	8⅞	9	—
CrnCP B	369	19⅞	19	19⅞	-⅛
ecCrwnL	731	1	⅞	1	—
CrsleAm	148	7⅛	6⅞	7	-⅛
Crystl gn	3213	4⅞	3⅞	3⅞	-⅛
Cubic	176	29¾	29½	29½	-⅛
Cybernetl	125	11⅛	10⅞	11	-⅛
Cycomm	290	3⅛	2⅞	3	—
DI Ind	2926	5⅞	5⅞	5⅞	-⅛
DakotaM	377	⅞	⅞	⅞	—
DanlHd	112	8⅛	8⅛	8⅛	-⅛
Dataram	761	9⅞	8½	8⅞	-1⅛
DaxtonMic	1153	3⅛	3⅛	3⅛	+⅛
DelAmer	167	2⅛	2⅛	2⅛	-⅛
DevnE	422	42	40	40⅞	-1⅛
DiagRet	1194	11⅛	11⅛	11⅛	—
DigPwr n	140	9⅞	9⅛	9⅞	-⅛
Diodes	159	11⅞	11½	11½	-⅛
Drewlnd s	120	13⅛	12⅞	12⅞	-⅛
DryBrs	347	10⅞	10⅛	10⅞	—
Dycom	131	⅛	⅛	⅛	—
ecETS Inf	269	⅛	⅛	⅛	—
EZ Serv	390	4⅞	4⅞	4⅞	—
EchoBay	4228	5⅞	5⅞	5⅞	-⅛
Edisto	226	9⅛	9⅛	9⅛	-⅛
ElPasoE	1819	6⅛	6⅛	6⅛	-⅛
EmerRet	273	15⅛	14⅞	15⅛	-⅛
EnvoR	1048	⅛	½	½	—
EnvTc	110	8⅞	8⅞	8⅞	—
EnzoBi	1235	15⅞	14⅞	15⅛	-⅛
Equusll	197	23	22⅞	22⅞	-⅛
FoamTel s	289	2⅛	2	2⅛	-⅛
FlaRedl s	187	15⅛	15⅛	15½	-⅛
FlAsst	495	8⅞	8½	8⅞	—
FAosPr	2949	9⅛	9⅛	9⅛	—
FstedA n	138	18⅛	18½	18⅛	+⅛
FlaRck	143	45⅛	44⅞	45	-½
ForstLb	429	46⅛	45⅛	45⅛	-1⅛
FreqEl	419	20	19⅞	19⅞	-⅛
Foodrm	112	8⅛	8	8⅛	-⅛
Frischs	871	15⅛	15⅛	15⅛	-⅛
FrontAdj	121	2½	2⅛	2½	+⅛
GA Fncl	158	17⅛	16⅞	17	-⅛
GST Tele	646	10⅛	10⅛	10⅛	-½
Galrcn	109	19⅛	19⅛	19⅛	-⅛
GayrCx	1576	9⅛	8⅞	9	-⅛
Gencor s	117	13⅞	13⅛	13⅞	-⅛
GoAuto	176	1⅞	1⅞	1⅞	-⅛
GelchGld	3604	38⅛	36⅛	37⅛	+1½
GlobFd	703	33⅛	32⅞	32⅞	-⅛
GlbRl	497	18⅞	18⅛	18½	-⅛
GlobSml	142	14⅞	14⅛	14⅞	-½
GoVideo	174	1⅞	1⅛	1⅛	—
GldStarR	745	6	5⅞	6	—
GrteBayC	222	1⅛	1⅛	1⅛	+⅛
GreyhndL	2056	4⅛	4	4⅛	—
GulfLb	772	10⅞	10⅞	10⅞	+⅛
HelEP	128	8⅛	8⅛	8⅞	-⅛
Halsey	127	3⅞	3⅞	3⅞	-⅛
Hallwd n	351	32½	32⅛	32½	-⅛
HangOr	734	12⅞	12⅞	12½	—
HanvDir	1473	1⅛	1½	1½	—
Harken	3648	5⅛	5⅛	5⅛	+⅛
Hasbro s	4172	29⅛	28⅞	29⅛	-⅛
HanvAir	2773	5	4⅞	4⅞	-⅛
Heoer	1054	1	1⅞	1⅞	—
HiShear	126	6⅛	6	6½	+⅛
HomeVil n	335	16⅛	16	16⅛	+⅛
HrtPhn n	433	8⅛	8⅛	8⅛	—
HovnEn	704	7	6⅞	6⅞	-⅛
IGI	126	4⅞	4⅞	4½	+⅛
IMH Cml	2538	17⅛	17	17⅛	+⅛
Ideonix	681	9⅛	9⅛	9⅛	-⅛
ImpCHlg	117	26	25⅛	26	+⅛
ImpHly	140	14⅛	13⅞	14⅛	+1
ImpOil g	977	53⅛	53	53⅛	-⅛
Insitron	290	16⅛	16	16⅛	-⅛
IntegCrft	359	6⅛	5⅞	6⅛	+⅛
IntgSys	171	6	5⅞	5⅞	-⅛
InterDig	1197	6	5⅞	5⅞	-⅛
Interfnf	718	9⅞	9⅞	9⅞	-⅛
Intmgn	173	11½	11	11	-⅛
IntAIrlS s	534	7⅛	6¾	7	-⅛
IntCmplt	1654	8½	7⅛	8⅛	-⅛
IntstGC	138	3⅛	3	3	+⅛
Intsystm	274	2⅞	2	2⅞	-⅛
IonLaser	175	6⅛	6	6⅛	-⅛
IvaxCp	3025	9⅛	9⅛	9⅛	+⅛
JTS Corp	11026	⅞	⅞	¼	-⅛
JanBell	1069	2⅞	2⅞	2⅞	-⅛
KatzM	982	10⅞	10⅞	10⅞	-⅛
Keane s	885	65	62⅛	62⅞	-2⅛
KeyEng	1944	23⅛	22⅞	22⅛	-1⅛
Kiltern	409	5⅛	5⅛	5⅛	-⅛
KoorEq	771	20⅞	20⅛	20⅞	-⅛
LXR Biot	227	1⅞	1⅞	1⅞	+⅛
LaBarg	117	5⅞	5⅛	5⅞	+⅛
Lancer s	218	16⅛	15⅞	16	-⅛
LeathFac	110	⅛	⅛	⅛	—
MagnHunt	200	5⅛	5⅞	5⅛	-⅛
MedcR	727	11	10⅞	10⅞	+⅛
Media	711	36½	35⅞	36	—
MedicLog	131	2	1⅞	1⅞	-⅛
Medtox	843	⅞	⅞	⅞	—
MrchGp	109	18⅞	18⅛	18⅛	—
MLEur02 n	152	9⅞	9⅛	9⅛	-⅛
Metor n	284	6⅞	6½	6⅞	+⅛
Metrmda	2442	11⅞	11⅞	11½	-⅛
MidcstE n	295	19	18⅞	18⅞	-⅛
MissnW s	283	4½	3⅞	3⅞	-⅛
MoogA	182	29⅞	28⅞	29⅞	-⅛
MSNtk 97wt	827	3⅛	2⅞	2½	-⅛
Muwrsl	227	9⅛	9⅛	9⅛	-⅛
NTNCom	1812	2⅞	2⅞	2⅞	+⅛
NVR	162	19⅞	19⅞	19⅞	—
Nabors	4592	30⅞	29⅞	30⅛	-⅛
Nantck	120	1⅞	1⅞	1⅞	—
NtPatnl	391	9⅛	9⅛	9⅛	-⅛
Nelmed s	123	6½	6	6⅛	-⅛
NY Times	2226	48½	47⅞	47⅞	-1⅛
NA Vacc	210	19⅞	19⅛	19½	-⅛
Novavx	304	4⅞	4⅞	4⅞	—
Nstor n	256	2	1⅞	1⅞	+⅛
OSullvnC	334	10½	10⅛	10⅛	+⅛
OmniMull	244	⅞	⅞	⅞	+⅛
Oncor	1202	4⅛	4⅛	4⅛	+⅛
Oncormd	248	6⅞	6⅛	6⅛	-⅛
Organgn s	4004	19⅞	18	19⅞	+1⅛
OakdTE n	398	24	23½	23⅞	-⅛
PGECap pf	274	25⅛	24⅞	25	-⅛
PLC Sys	12245	13⅞	11⅞	13⅞	+1⅛
PLM	115	5⅛	5⅛	5⅛	—
PMC	138	14⅛	14⅛	14⅛	-⅛
PacGate	150	5⅛	5⅛	5⅛	-⅛
PanAmC n	516	7⅞	7½	7⅞	+⅛
PancsC	2519	12⅞	11⅞	12⅞	-⅛
PegGld	7342	5⅛	4⅞	5	+⅛
PenRE	132	26⅛	25⅞	26⅛	-½
PeopleTel	449	3⅛	3⅛	3⅛	+⅛
PhrNet	1173	1⅞	1⅞	1⅞	—
PhrRsc	197	16⅞	16⅛	16⅞	-⅛
Polymed	1208	10⅞	9⅞	10⅞	-⅛
Polyph	889	1⅞	1⅛	1⅛	+⅛
PostSys	115	3⅛	3	3⅛	-⅛
PrpdLg	2599	25⅛	23⅞	25⅛	-⅛
PrcCm	121	8	7⅞	8	-⅛
Prcell s	1820	8⅛	7⅛	7⅞	-⅛
PrimeRs n	186	8⅞	8	8⅞	-⅛
ProActv	319	½	⅛	⅛	-⅛
PropCT s	449	7⅛	6⅞	7⅛	—
PsycCp	185	7⅞	7⅞	7⅞	-⅛
QC Opt n	262	4⅞	4⅞	4⅞	-⅛
RF Pow	178	5⅞	5⅞	5⅞	-⅛
RegGold	484	⅛	½	⅛	—
Railsc	392	11⅛	10⅞	11⅛	-⅛
RegalBel	380	30½	29⅞	29⅞	-⅛
Riviera	176	13⅞	12⅞	13⅛	+⅛
RivieraT n	374	5⅞	5⅞	5⅞	-⅛
RobertsPh	766	10⅞	10⅛	10⅞	-⅛
RoyalO g	5771	1⅛	1⅛	1⅛	+⅛
SC Bcp	402	14	13⅞	13⅞	-⅛
SobaPal s	373	18⅛	17½	17⅞	-⅛
SFeGam	167	⅛	⅛	⅛	—
SMonBk	200	27⅛	27⅛	27⅛	-⅛
Selfcare	372	12⅞	11	12⅞	+⅛
SheffldPhm	115	2⅞	2⅞	2⅞	-⅛
SgnlTech	166	6⅞	5⅞	6	-⅛
SilverFds	722	¾	¾	⅞	-⅛
SloanSup	147	2⅛	2⅛	2⅛	-⅛
Softnet	170	6⅞	6⅞	6⅞	-⅛
ecSoligen	508	⅛	½	⅛	-⅛
SportsCh	1151	5⅞	5⅞	5⅞	+⅛
SPDR	70500	94⅛	92⅞	93⅞	-1⅛
SP Mid	2414	61⅛	60⅛	60⅞	-1⅛
StarHous	810	26⅛	25⅞	25⅞	-⅛
StevnIntA	290	1⅛	1⅛	1⅛	—
StlWtrA	626	21⅛	20⅞	21⅛	+⅛
ShalCp s	592	15⅛	15	15⅛	+⅛
SubstAbes	425	⅞	⅞	⅞	+⅛
Sulcus	332	1⅞	1⅞	1⅞	+⅛
Suprmlnd	387	9⅞	8⅞	9⅞	-⅛
TabPrd	178	10	9⅞	10	—
Team	270	3⅞	3⅞	3⅞	-⅛
TacOpsSy	259	11⅞	11½	11⅞	—
TejsR	234	23⅛	22⅞	23⅛	-⅛
TelDta	444	38⅛	37½	37⅞	-⅛
TexBiotcp	967	5⅞	5⅛	5⅞	—
TexBi wt	135	1⅛	1⅛	1⅛	-⅛
Thermed	619	16⅛	15⅞	16⅛	-⅛
ThrmBio n	168	15⅛	15½	15⅛	—
ThCardio	324	20⅛	19⅞	19⅞	-⅛
ThrEco s	491	14⅛	14⅛	14⅛	-⅛
ThmFib	428	10⅞	10⅞	10⅞	—
Thrinst	327	36	35⅞	35⅞	-⅛
ThrOpt	120	15⅛	15⅛	15⅛	-⅛
Thmotre	399	13⅛	13	13⅛	-⅛
Thrmotx	515	22⅞	22½	22⅞	-⅛
Thrmwd	115	2⅛	2⅞	2⅛	—
TopSrce	709	1⅛	1⅛	1⅛	-⅛
TotlPet	147	10⅛	10⅛	10⅛	-⅛
TownCty	1728	½	½	½	—
TWA	10552	7⅞	7⅛	7⅞	+⅛
TransFncl	138	9⅞	9⅞	9⅞	—
Transmed	148	16⅛	15⅞	15⅞	-⅛
TresMed	227	12⅞	12⅞	12⅞	-⅛
TubMex	1536	18⅞	18⅞	18⅞	-½
UTI Eng	227	71⅛	67⅛	68⅛	-3⅛
Unapix	231	4⅛	4⅛	4⅛	-⅛
Unimb	1197	1⅞	1⅞	1⅞	-⅛
Unimar	508	5⅛	5	5⅛	—
UnionPhl	336	7⅞	6⅞	7⅞	-⅛
USBiosci	838	10⅛	10	10⅛	-⅛
US Cell	448	30⅛	30⅛	30⅛	—
UtahelV	136	6⅛	6⅛	6⅛	+⅛
VIAAdM2	248	12⅞	12⅞	12⅞	—
Viacom	667	30⅞	29⅞	30⅛	-⅛
ViacB	4921	31	30⅞	30⅞	-⅛
VistsG g	2264	⅛	⅛	⅛	-⅛
Vitronic	278	1⅞	1⅞	1⅞	—
WRIT	1045	16⅞	16⅛	16⅞	-⅛
WashSvg	110	6⅞	6⅞	6⅞	-⅛
WelGrd	494	5⅞	4⅞	5⅞	-⅛
WIRET	388	13⅞	13⅞	13⅞	-⅛
WirelessT	617	12	11⅞	11⅞	-⅛
WEB Hk	319	18	17⅞	17⅞	—
WEB Ge	105	17⅞	17⅞	17⅞	-⅛
WEB Jpn	564	13⅛	12⅞	13⅛	+⅛
WEB Mal	150	10⅞	10⅞	10⅞	-⅛
WEB Mex	555	17⅛	16⅛	16⅞	-⅛
WEB Sgn	120	19⅛	19⅛	19⅛	-⅛
WEB Swd	114	20⅞	20⅞	20⅞	-⅛
XCL Ltd	3608	⅛	⅛	⅛	—
Xytron	1954	2⅛	1⅞	2	-⅛

U. S. STOCK MARKET DIARY

Indexes

Dow Jones

	Open	High	Low	Last	Chg.
Indus	8118.07	8188.00	7976.40	8031.22	-156.78
Trans	2975.99	2993.96	2921.57	2936.48	-57.28
Util	231.30	232.89	229.38	229.82	-3.97
Comp	2518.08	2529.22	2469.42	2482.89	-46.33

Standard & Poors

	Previous High	Previous Low	Previous Close	Today 4 P.M.
Industrials	1135.56	1121.46	1121.93	1101.55
Transp.	692.46	684.60	685.33	671.58
Utilities	201.62	199.72	199.75	197.00
Finance	110.98	108.36	108.36	106.04
SP 500	964.17	950.87	951.19	933.54
SP 100	942.96	928.02	928.20	909.33

NYSE

	High	Low	Last	Chg.
Composite	492.62	480.31	483.79	-8.83
Industrials	625.37	609.65	613.95	-11.42
Transp.	450.16	439.27	441.46	-8.69
Utility	291.86	286.25	288.26	-3.60
Finance	454.28	441.72	445.49	-8.79

Nasdaq

	High	Low	Last	Chg.
Composite	1614.86	1586.86	1598.52	-25.66
Industrials	1268.45	1250.10	1258.99	-16.72
Banks	1727.98	1693.52	1699.67	-32.36
Insurance	1722.54	1695.00	1695.00	-26.63
Finance	2065.44	2030.29	2034.94	-34.91
Transp.	1026.88	1011.04	1018.72	-11.44

AMEX

High	Low	Last	Chg.
652.87	643.19	646.15	-5.92

Dow Jones Bond

	Close	Chg.
20 Bonds	104.23	-0.10
10 Utilities	101.53	-0.28
10 Industrials	106.94	+0.08

Most Actives

NYSE

	Vol.	High	Low	Last	Chg.
EDS	140050	37½	34⅝	36⅝	-6⅜
AT&T s	94095	40⅜	39⅝	40⅜	+¼
CocaCl	92732	65⅞	62⅞	62¾	-3⅞
Compaq s	90211	61⅞	58⅞	60⅞	-1⅛
PhilMor s	63251	45⅞	43⅞	44⅞	-⅜
MicrnT	58845	58⅛	55⅞	56⅞	-1⅛
GenElec s	56649	68⅛	66⅞	67⅞	-1⅛
Pfizer s	55983	57⅛	54⅞	55⅞	-2⅛
ColHCA s	44665	34	33	33⅞	-⅛
WDigit s	44092	50	46	48⅛	+1⅛
JohnJn	42381	60⅛	58⅞	59⅞	-1⅛
UnMor	41773	51⅞	49⅞	51⅛	+⅛
PepsiCo	40717	38⅞	37⅛	37⅞	-1⅛
Iomega	40693	24⅞	22⅞	24⅛	+⅛
Exxon s	40524	63⅞	61⅞	62⅞	-2⅛

Nasdaq

	Vol.	High	Low	Last	Chg.
Intel s	195127	99⅞	95⅞	98⅞	-1⅞
PetsMart	178147	8⅞	8⅞	8⅞	-⅛
AppleC	155662	28⅞	26⅞	27	-2⅞
Informix	133413	9⅞	8⅞	9⅛	-1⅛
Novell	86929	9⅞	8⅞	9	-⅛
TeleComA	80126	18⅞	17⅞	18⅞	+⅛
3Com	78640	56⅞	54⅞	56⅛	+⅛
Cisco	76863	78⅞	76⅞	77⅞	-⅛
Microsft s	76089	143⅞	140	141⅞	-2⅛
FaraSys	76080	19⅞	16⅞	18⅞	+1⅞
DellCpt s	75824	92⅞	79⅞	80⅞	-2⅞
ApldMat	73759	93⅞	88⅞	91⅞	-⅛
Quantum s	67323	35⅞	33⅞	35⅛	-⅛
Ascend	63950	51	49	49⅞	-1⅛
SunMic s	62395	49⅞	48⅞	49⅞	-⅛

AMEX

	Vol.	High	Low	Last	Chg.
SPDR	70500	94⅛	92⅞	93⅞	-1⅛
Amdhl	14137	11⅞	11⅞	11⅞	-⅛
PLC Sys	12245	13⅞	11⅞	13⅞	+1⅛
JTS Corp	11026	⅞	¾	⅞	-⅛
TWA	10552	7⅞	7⅛	7⅞	+⅛
PegGld	7342	5⅛	4⅞	5	+⅛
Andrea	7322	25	19⅛	23⅞	+5⅛
EchoBay	6228	5⅞	5⅛	5⅞	+⅛
RoyalO g	5771	1⅛	1⅛	1⅛	+⅛
ViacB	4921	31	30⅛	30⅞	-⅛

Trading Activity

NYSE

	Close	Prev.
Advanced	544	1242
Declined	2480	1586
Unchanged	370	554
Total issues	3394	3382
New Highs	67	321
New Lows	15	9

Nasdaq

	Noon	Prev.
Advanced	958	2023
Declined	2477	2092
Unchanged	1942	1654
Total issues	5377	5769
New Highs	55	322
New Lows	62	70

AMEX

	Close	Prev.
Advanced	176	272
Declined	398	287
Unchanged	171	178
Total issues	745	737
New Highs	24	45
New Lows	4	6

Market Sales

	Today 4:00	Prev. cons.
NYSE	561.30	695.23
Amex	27.98	33.27
Nasdaq	652.23	747.45

In millions.

Dividends

Company	Per	Amt	Rec	Pay
IRREGULAR				
Natl Westminstr Bk	b	1.287	8-15	10-16
STOCK				
Olympic Cascade	-	5%	8-29	9-8
STOCK SPLIT				
Chromaline Corp 3 for 2 split.				
Cymer Inc 2 for 1 split.				
Essef Corp 2 for 1 split.				
Ethan Allen 2 for 1 split.				
INCREASED				
Engelhard Corp	Q	.10	9-15	9-30
REDUCED				
Atrion Corp	Q	.10	8-22	9-1
INITIAL				
British Petrol n	b	.673	8-15	11-3
REGULAR				
ACE Ltd	Q	.22	9-30	10-17
Allegiance Corp	Q	.10	9-10	10-1
Ambassador Apart	Q	.40	8-18	8-20
CarrAmer Rlty	Q	.4375	8-22	9-5
Chemed Corp	Q	.52	8-22	9-10
Coastal Corp	Q	.10	8-29	10-1
Colton St Life	Q	.05	9-15	10-1
DQE Inc	Q	.34	9-9	10-1
Dial Corp	Q	.08	9-15	10-1
Edper Brascan	Q	.245	11-1	11-30
Equitable Iowa	Q	.165	8-28	9-16
Everen Cap	Q	.09	9-2	9-16
Fremont General	Q	.15	9-30	10-31
Garan Inc	Q	.20	8-18	8-22
Gen Dynamics	Q	.41	10-10	11-14
Gerber Scientific	Q	.08	8-18	8-29
Illinois Tool	Q	.12	9-30	10-24
Intercargo Corp	S	.09	9-10	9-15
K2 Inc	Q	.11	9-3	10-1
Kentek Info	Q	.02	8-15	8-29
LabOne Inc	Q	.18	8-26	9-3
Lufkin Ind	Q	.17	9-1	9-10
Marriott Intl	Q	.09	9-25	10-16
Mead Corp	Q	.30	8-18	9-1
Mercury Gen	Q	.29	9-16	9-30
OM Group	Q	.08	8-15	8-29
Oshkosh B Gosh	Q	.07	8-18	9-2
Pennzoil Co	Q	.25	8-31	9-15
Presidntl Rlty A B	Q	.15	9-10	9-30
Presidntl Rlty A B	Q	.15	12-10	12-30
RJR Nabisco Hld	Q	.5125	9-5	10-1
SCPIE Holdings	Q	.05	9-15	9-30
Sizeler Prop	Q	.22	8-28	9-5
Summit BkCorp	Q	.09	8-15	8-25
Synalloy Corp	Q	.09	8-15	9-2
Teleglobe Inc g	Q	.15	9-15	9-30
TransCda Pipe g	Q	.29	9-30	10-31
Tupperware Corp	Q	.22	9-15	10-3
Universal Corp VA	Q	.265	10-13	11-3
Walden Residntl	Q	.4825	8-18	9-3
Westcorp Inc	Q	.10	8-18	8-27

a-annual; b-approximate amount per share/ADR; g-payable in Canadian funds; m-monthly; q-quarterly; s-semi-annual

Stock Tables Explained

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the years high-low range and dividend are shown for the new stocks only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.
a - dividend also extra (s). b - annual rate of dividend plus stock dividend. c - liquidating dividend. cc - PE exceeds 99.cld - called. d - new yearly low. dd - loss in the last 12 months. e - dividend declared or paid in preceding 12 months. f - annual rate, increased on last declaration. g - dividend in Canadian funds, subject to 15% non-residence tax. i - dividend declared after split-up or stock dividend. j - dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k - dividend declared or paid this year, an accumulative issue with dividends in arrears. m - annual rate, reduced on last declaration. n - new issue in the past 52 weeks. The high-low range begins with the start of trading. nd - next day delivery. p - initial dividend, annual rate unknown. P/E - price-earnings ratio. q - closed-end mutual fund. r - dividend declared or paid in preceding 12 months, plus stock dividend. s - stock split. Dividend begins with date of split. sls - sales. t - dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u - new yearly high. v - trading halted. vi - in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies. wd - when distributed. wi - when issued/ ww - with warrants. x - ex-dividend or ex-rights. xdis - ex-distribution. xw - without warrants. y- ex-dividend and sales in full. yld - yield. z - sales in full.

INTERNATIONAL FUTURES

Aug. 8, 1997

Grains

CORN (CBOT) 5,000 bu minimum- cents per bushel

	High	Low	Latest	Chge	Opint
Sep 97	254	249¾	253½	+3½	52,532
Dec 97	258¾	252¾	257	+4	148,649
Mar 98	266¾	260½	265¾	+4¾	34,002
May 98	271	265	270¾	+5	7,648
Jul 98	273¼	268	272¾	+4¾	12,891
Sep 98	263	261	261½	+2½	1,491
Dec 98	263	259	262¾	+2½	5,817

Est. sales 47,500 Thu's sales 63,870
Thu's open int 263,109, off 3,603

SOYBEAN MEAL (CBOT) 100 tons- dollars per ton

	High	Low	Latest	Chge	Opint
Aug 97	256.50	251.30	254.40	-0.40	10,337
Sep 97	231.00	226.60	229.70	+0.30	21,963
Oct 97	216.50	213.00	215.20	+0.40	15,367
Dec 97	211.50	207.50	210.00	+1.50	39,421
Jan 98	208.20	205.00	208.20	+2.40	5,984
Mar 98	205.00	201.50	204.70	+1.20	7,788

Est. sales 15,000 Thu's sales 17,540
Thu's open int 1,107,192, up 999,451

SOYBEAN OIL (CBOT) 60,000 lbs- cents per lb

	High	Low	Latest	Chge	Opint
Aug 97	21.77	21.49	21.77	+0.13	2,673
Sep 97	21.94	21.63	21.89	+0.15	20,684
Oct 97	22.09	21.80	22.05	+0.19	16,015
Dec 97	22.40	22.05	22.36	+0.14	43,824
Jan 98	22.58	22.35	22.58	+0.23	7,007
Mar 98	22.92	22.55	22.92	+0.14	4,813

Est. sales 18,000 Thu's sales 20,794
Thu's open int 98,713, up 1,363

SOYBEANS (CBOT) 5,000 bu minimum- cents per bushel

	High	Low	Latest	Chge	Opint
Aug 97	750	735	739¾	-5¾	9,052
Sep 97	678	655½	672½	+12½	16,754
Nov 97	640	626	637½	+9	73,653
Jan 98	643½	631½	642½	+10	15,949
Mar 98	651	641	650	+8¼	5,269

Est. sales 40,000 Thu's sales 46,797
Thu's open int 128,278, off 1,977

WHEAT (CBOT) 5,000 bu minimum- cents per bushel

	High	Low	Latest	Chge	Opint
Sep 97	368	362	367¼	+4	36,181
Dec 97	385	375	383¾	+6	47,734
Mar 98	394	386½	393	+4¾	14,952
May 98	393	387	393	+5	1,501

Est. sales 19,000 Thu's sales 27,764
Thu's open int 105,178, up 1,525

Livestock

CATTLE (CMER) 40,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Aug 97	66.62	65.60	66.40	+0.52	12,217
Oct 97	70.30	69.35	70.20	+0.72	53,864
Dec 97	72.00	71.45	71.97	+0.40	21,004
Feb 98	73.45	73.12	73.32	+0.25	10,544
Apr 98	74.80	74.55	74.77	+0.17	4,310
Jun 98	71.47	71.25	71.40	+0.15	2,886

Est. sales 15,210 Thu's sales 16,285
Thu's open int 105,197, off 423

FEEDER CATTLE (CMER) 50,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Aug 97	80.65	79.70	80.17	-0.30	7,081
Sep 97	80.30	79.75	79.92	-0.27	3,996
Oct 97	80.90	80.20	80.70	-0.05	6,458
Nov 97	81.97	81.30	81.67	-0.12	3,744
Jan 98	82.05	81.50	81.75	+0.05	1,848
Mar 98	81.70	81.35	81.70	+0.20	904

Est. sales 2,930 Thu's sales 2,953
Thu's open int 24,490, off 77

HOGS-Lean (CMER) 40,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Aug 97	80.80	80.20	80.62	-0.12	7,040
Oct 97	73.05	72.10	72.52	-0.47	17,321
Dec 97	69.37	68.40	68.87	-0.32	6,343
Feb 98	67.35	66.85	67.25	-0.15	2,442
Apr 98	63.50	63.00	63.25	-0.07	1,482

Est. sales 6,694 Thu's sales 8,720
Thu's open int 36,268, off 835

PORK BELLIES (CMER) 40,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Aug 97	84.30	81.92	82.52	-2.37	1,551
Feb 98	76.00	74.05	74.37	-0.82	3,574
Mar 98	75.95	74.00	74.45	-0.52	115

Est. sales 1,897 Thu's sales 2,179
Thu's open int 5,229, off 315

Food

COCOA (NCSE) 10 metric tons- $ per ton

	High	Low	Latest	Chge	Opint
Sep 97	1484	1462	1481	+21	18,473
Dec 97	1526	1504	1521	+17	28,073
Mar 98	1557	1540	1552	+14	25,416
May 98	1576	1565	1572	+14	12,304
Jul 98	1593	1587	1593	+13	1,615
Sep 98	1614	1610	1614	+13	3,743

Est. sales 7,659 Thu's sales 14,370
Thu's open int 102,178, up 802

COFFEE C (NCSE) 37,500 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Sep 97	207.00	201.00	205.85	-2.95	8,905
Dec 97	178.00	172.50	177.85	+1.60	6,736
Mar 98	156.00	153.00	155.75	+0.75	3,497
May 98	150.00	148.00	150.00	+2.00	1,087
Jul 98	144.50	140.00	144.50	+2.00	749

Est. sales 5,848 Thu's sales 7,264
Thu's open int 21,259, off 151

SUGAR-WORLD 11 (NCSE) 112,000 lbs.- cents per lb

	High	Low	Latest	Chge	Opint
Oct 97	11.52	11.32	11.38	-0.20	113,765
Mar 98	11.72	11.60	11.65	-0.13	60,724
May 98	11.68	11.57	11.61	-0.11	12,968
Jul 98	11.58	11.48	11.51	-0.10	7,563

Est. sales 40,994 Thu's sales 24,465
Thu's open int 198,730, up 2,747

ORANGE JUICE (NCTN) 15,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Sep 97	79.40	76.10	77.40	+1.15	15,674
Nov 97	79.70	78.15	79.35	+1.10	8,903
Jan 98	82.25	81.05	82.25	+1.20	4,156
Mar 98	85.50	84.00	85.00	+0.90	2,784

Est. sales N.A. Thu's sales 2,085
Thu's open int 32,646, up 139

Metals

GOLD (NCMX) 100 troy oz.- dollars per troy oz.

	High	Low	Latest	Chge	Opint
Aug 97	326.70	322.40	326.10	+4.60	620
Sep 97			327.00	+4.60	2
Oct 97	329.80	323.40	328.30	+4.60	15,370
Dec 97	345.00	325.00	330.40	+4.60	119,606
Feb 98	334.50	324.00	332.40	+4.60	12,401
Apr 98	334.40	329.80	334.40	+4.60	5,478
Jun 98	336.80	332.80	336.60	+4.60	7,341
Aug 98			338.90	+4.60	3,111
Oct 98			341.20	+4.70	109

Est. sales 47,000 Thu's sales 34,793
Thu's open int 202,103, up 3,787

HI GRADE COPPER (NCMX) 25,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Aug 97	107.20	105.30	105.85	-2.05	2,629
Sep 97	116.20	105.00	106.10	-2.00	20,368
Oct 97	105.70	104.80	105.20	-1.70	1,489
Nov 97	106.00	104.00	104.30	-1.80	1,378
Dec 97	105.40	102.75	103.70	-1.70	8,195
Jan 98			103.10	-1.70	657
Feb 98			102.30	-1.70	616
Mar 98	102.80	101.60	101.60	-1.60	2,370
Apr 98	101.40	100.70	100.70	-1.70	400

Est. sales 7,200 Thu's sales 6,537
Thu's open int 42,595, off 470

SILVER (NCMX) 5,000 troy oz.- cents per troy oz.

	High	Low	Latest	Chge	Opint
Aug 97			436.30	+0.20	
Sep 97	456.00	431.00	437.50	unch.	54,073
Oct 97			441.20	-0.10	78
Dec 97	452.00	441.50	444.00	+0.10	19,007
Jan 98			445.60	+0.10	20
Mar 98	458.50	448.00	450.40	+0.30	10,227
May 98	460.00	454.40	454.40	+0.30	2,978
Jul 98			458.40	+0.30	2,160

Est. sales 25,000 Thu's sales 10,002
Thu's open int 93,412, off 388

PLATINUM (NMER) 50 troy oz.- dollars per troy oz.

	High	Low	Latest	Chge	Opint
Oct 97	446.00	435.00	443.70	+11.10	11,788
Jan 98	437.00	433.00	433.70	+10.60	2,520
Apr 98	428.00	428.00	426.70	+10.60	406

Est. sales N.A. Thu's sales 1,431
Thu's open int 14,714, off 182

LONDON METALS (LME) Dollars per metric ton

	Close		Previous	
Aluminum (High Grade)				
Spot	1773.00	1775.00	1786½	1788½
Forward	1753.00	1754.00	1768.00	1769.00
Copper Cathodes (High Grade)				
Spot	2319.00	2322.00	2358.00	2361.00
Forward	2291.00	2292.00	2329.00	2330.00
Lead				
Spot	597.00	599.00	602.00	603.00
Forward	613.00	615.00	617.00	618.00
Nickel				
Spot	7005.00	7015.00	7140.00	7150.00
Forward	7100.00	7110.00	7240.00	7250.00
Tin				
Spot	5555.00	5565.00	5605.00	5615.00
Forward	5595.00	5605.00	5635.00	5640.00
Zinc (Special High Grade)				
Spot	1690.00	1700.00	1645.00	1648.00
Forward	1535.00	1540.00	1539.00	1540.00

Financial

US T BILLS (CMER) $1 million- pts of 100 pct.

	High	Low	Close	Chge	Opint
Sep 97	94.87	94.85	94.86	-0.01	7,097
Dec 97	94.74	94.66	94.69	-0.06	833
Mar 98			94.58	-0.07	111

Est. sales 2,212 Thu's sales 519
Thu's open int 8,041, up 67

5 YR TREASURY (CBOT) $100,000 prin- pts & 64ths of 100 pct

	High	Low	Close	Chge	Opint
Sep 97	106-62	106-24	106-30	-35	212,857
Dec 97	106-35	106-14	106-16	-34	12,233

Est. sales 75,000 Thu's sales 37,707
Thu's open int 225,090, off 2,568

10 YR TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct

	High	Low	Close	Chge	Opint
Sep 97	109-16	108-16	108-26	-24	366,447
Dec 97	109-06	108-11	108-16	-25	34,478
Mar 98	108-17	108-06	108-06	-25	1,343

Est. sales 175,000 Thu's sales 78,448
Thu's open int 404,268, up 191

US TREASURY BONDS (CBOT) (8 pct-$100,000-pts & 32nds of 100 pct)

	High	Low	Close	Chge	Opint
Sep 97	114-12	112-08	112-22	-1 17	520,732
Dec 97	113-25	111-28	112-10	-1 18	49,703
Mar 98	113-17	111-26	112-00	-1 18	31,789
Jun 98			111-20	-1 18	2,137

Est. sales 800,000 Thu's sales 490,812
Thu's open int 606,032, off 3,617

LONG GILT (LIFFE) £50,000 - pts & 32nds of 100 pct

	High	Low	Close	Chge	Opint
Sep 97	115-08	114-06	114-09	-0-28	182,884
Dec 97	N.T.	N.T.	113-28	-0-28	9,998

Est. sales 96,473 Prev. sales 132,229
Prev. open int 192,882 up 2,433

GERMAN GOV. BUND (LIFFE) DM250,000 - pts of 100 pct

	High	Low	Close	Chge	Opint
Sep 97	102.11	101.63	101.75	-0.27	269,610
Dec 97	101.15	100.91	100.92	-0.27	17,222
Mar 98	N.T.	N.T.	100.09	-0.27	0

Est. sales 199,435 Prev. sales 205,505
Prev. open int 286,832 up 5,944

10-YEAR FRENCH GOV. BONDS (MATIF) FF500,000 - pts of 100 pct

	High	Low	Latest	Chge	Opint
Sep 97	129.46	129.10	129.34	Unch.	166,988
Dec 97	98.34	98.08	98.28	Unch.	11,532
Mar 98	97.48	97.48	97.68	Unch.	0

Est. sales: 142,712.
Open int.: 178,540 off 5,685.

ITALIAN GOVERNMENT BOND (LIFFE) ITL 200 million - pts of 100 pct

	High	Low	Latest	Chge	Opint
Sep 97	135.90	134.97	135.40	-0.24	103,591
Dec 97	107.65	107.40	107.64	-0.20	5,170
Mar 98	N.T.	N.T.	108.10	-0.20	0

Est. sales: 60,880. Prev. sales: 76,729
Prev. open int.: 108,761 up 1,566

LIBOR 1-MONTH (CMER) $3 million- pts of 100 pct.

	High	Low	Latest	Chge	Opint
Aug 97	94.34	94.33	94.34	-0.01	19,802
Sep 97	94.34	94.32	94.32	-0.02	11,383
Oct 97	94.32	94.28	94.28	-0.03	5,639

Est. sales 7,187 Thu's sales 3,893
Thu's open int 45,629, up 1,716

EURODOLLARS (CMER) $1 million-pts of 100 pct.

	High	Low	Latest	Chge	Opint
Aug 97	94.27	94.25	94.25	-0.02	20,453
Sep 97	94.26	94.21	94.22	-0.03	516,892
Oct 97	94.15	94.11	94.12	-0.05	2,919
Dec 97	94.07	93.95	93.98	-0.08	475,461
Mar 98	93.98	93.85	93.88	-0.09	334,371
Jun 98	93.87	93.72	93.77	-0.10	277,974
Sep 98	93.77	93.63	93.68	-0.10	214,779
Dec 98	93.67	93.52	93.57	-0.11	166,772
Mar 99	93.66	93.51	93.56	-0.11	127,916
Jun 99	93.58	93.47	93.52	-0.11	97,352
Sep 99	93.55	93.44	93.48	-0.12	83,842
Dec 99	93.47	93.38	93.41	-0.13	72,231

Est. sales 916,969 Thu's sales 366,594
Thu's open int 2,764,694, up 11,442

BRITISH POUND (CMER) 62,500 pounds, $ per pound

	High	Low	Latest	Chge	Opint
Sep 97	1.5920	1.5650	1.5840	-0.0018	52,495
Dec 97	1.5800	1.5650	1.5786	-0.0014	950
Mar 98			1.5732	-0.0010	209

Est. sales 11,346 Thu's sales 22,494
Thu's open int 53,654, up 107

CANADIAN DOLLAR (CMER) 100,000 dollars, $ per Cdn. dlr

	High	Low	Latest	Chge	Opint
Sep 97	.7228	.7190	.7209	-0.0011	45,436
Dec 97	.7255	.7225	.7242	-0.0011	3,436
Mar 98	.7278	.7258	.7269	-0.0011	653

Est. sales 11,046 Thu's sales 7,766
Thu's open int 49,773, up 339

GERMAN MARK (CMER) 125,000 marks, $ per mark

	High	Low	Latest	Chge	Opint
Sep 97	.5455	.5343	.5426	+0.0059	123,679
Dec 97	.5488	.5418	.5458	+0.0060	3,432
Mar 98			.5491	+0.0062	921

Est. sales 38,314 Thu's sales 29,741
Thu's open int 128,139, off 3,470

JAPANESE YEN (CMER) 12.5 million yen, $ per 100 yen

	High	Low	Latest	Chge	Opint
Sep 97	.8815	.8474	.8766	+.0280	82,314
Dec 97	.8900	.8670	.8881	+.0285	2,219
Mar 98			.9001	+.0291	413

Est. sales 37,223 Thu's sales 23,200
Thu's open int 84,947, off 2,049

SWISS FRANC (CMER) 125,000 francs, $ per franc

	High	Low	Latest	Chge	Opint
Sep 97	.6708	.6551	.6650	+0.0088	59,515
Dec 97	.6777	.6604	.6719	+0.0090	2,312
Mar 98			.6789	+0.0093	1,059

Est. sales 20,947 Thu's sales 10,754
Thu's open int 62,996, off 762

MEXICAN PESO (CMER) 500,000 pesos, $ per peso

	High	Low	Latest	Chge	Opint
Sep 97	.12620	.12535	.12615	+.00050	23,672
Dec 97	.12190	.12090	.12175	+.00035	13,527
Mar 98	.11775	.11692	.11775	+.00014	5,175

Est. sales 6,320 Thu's sales 7,603
Thu's open int 44,526, off 205

3-MONTH STERLING (LIFFE) £500,000 - pts of 100 pct

	High	Low	Latest	Chge	Opint
Sep 97	92.81	92.76	92.79	-0.01	118,401
Dec 97	92.71	92.64	92.67	-0.02	126,783
Mar 98	92.70	92.62	92.65	-0.04	99,882
Jun 98	92.74	92.64	92.66	-0.06	66,337
Sep 98	92.77	92.66	92.68	-0.08	54,570
Dec 98	92.81	92.70	92.72	-0.09	47,726
Mar 99	92.82	92.73	92.75	-0.09	40,756

Est. sales: 112,368. Prev. sales: 251,243
Prev. open int.: 632,423 off 33,470

3-MONTH EUROMARK (LIFFE) DM1 million - pts of 100 pct

	High	Low	Latest	Chge	Opint
Aug 97	96.74	96.74	96.73	+0.03	1,103
Sep 97	96.69	96.63	96.66	+0.03	243,676
Oct 97	96.61	96.61	96.60	+0.03	1,403
Dec 97	96.55	96.48	96.51	+0.03	300,871
Mar 98	96.44	96.37	96.40	+0.04	273,096
Jun 98	96.24	96.16	96.20	+0.04	200,121
Sep 98	96.04	95.96	95.99	+0.03	148,876
Dec 98	95.80	95.72	95.74	+0.02	142,352
Mar 99	95.60	95.52	95.54	+0.02	108,990
Jun 99	95.40	95.33	95.35	+0.02	68,648

Est. sales: 288,098. Prev. sales: 232,313
Prev. open int.: 1,648,124 up 19,019

3-MONTH PIBOR (MATIF) FF5 million - pts of 100 pct

	High	Low	Latest	Chge	Opint
Sep 97	96.51	96.45	96.48	+0.04	74,428
Dec 97	96.37	96.28	96.34	+0.05	40,061
Mar 98	96.28	96.19	96.24	+0.04	29,584
Jun 98	96.18	96.09	96.14	+0.04	25,893
Sep 98	96.03	95.96	96.02	+0.06	32,677

Est. sales 74,215.
Open int.: 272,580 off 1,353

3-MONTH EUROLIRA (LIFFE) ITL 1 million - pts of 100 pct

	High	Low	Latest	Chge	Opint
Sep 97	93.25	93.16	93.19	-0.01	105,260
Dec 97	93.59	93.48	93.51	-0.02	91,200
Mar 98	93.91	93.83	93.85	Unch.	51,204
Jun 98	94.16	94.08	94.10	+0.01	47,038
Sep 98	94.30	94.23	94.25	+0.02	35,574
Dec 98	94.41	94.31	94.34	+0.03	26,868

Est. sales: 40,775. Prev. sales: 55,825
Prev. open int.: 374,759 up 3,257

Industrials

COTTON 2 (NCTN) 50,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Oct 97	74.40	73.60	74.25	-0.06	11,063
Dec 97	75.32	73.71	74.31	-0.09	42,631
Mar 98	75.75	75.05	75.68	-0.04	10,950
May 98	76.20	75.70	76.20	-0.10	2,765
Jul 98	76.70	76.20	76.70	+0.07	1,541

Est. sales N.A. Thu's sales 13,153
Thu's open int 76,069, up 828

HEATING OIL (NMER) 42,000 gal, cents per gal

	High	Low	Latest	Chge	Opint
Sep 97	55.85	54.25	54.30	-1.00	41,858
Oct 97	56.54	55.00	55.25	-0.97	26,561
Nov 97	57.20	56.15	56.40	-0.57	17,406
Dec 97	58.00	56.80	56.80	-0.92	20,739
Jan 98	58.50	57.50	57.70	-0.52	14,637
Feb 98	58.60	57.70	57.70	-0.57	7,690
Mar 98	58.25	56.90	56.90	-0.47	7,394

Est. sales N.A. Thu's sales 31,537
Thu's open int 147,328, up 226

LIGHT SWEET CRUDE (NMER) 1,000 bbl.- dollars per bbl.

	High	Low	Latest	Chge	Opint
Sep 97	20.15	19.48	19.57	-0.52	90,849
Oct 97	20.32	19.45	19.80	-0.48	67,505
Nov 97	20.41	19.84	19.85	-0.52	36,753
Dec 97	20.45	19.88	20.00	-0.40	50,484
Jan 98	20.49	19.92	19.95	-0.42	27,884
Feb 98	20.51	19.95	19.95	-0.39	13,813

Est. sales N.A. Thu's sales 120,066
Thu's open int 439,031, up 5,302

NATURAL GAS (NMER) 10,000 mm btu's, $ per mm btu

	High	Low	Latest	Chge	Opint
Sep 97	2.530	2.375	2.505	+0.061	44,567
Oct 97	2.530	2.385	2.510	+0.058	28,648
Nov 97	2.600	2.475	2.590	+0.058	14,704
Dec 97	2.700	2.580	2.700	+0.068	17,303
Jan 98	2.720	2.600	2.720	+0.078	17,345
Feb 98	2.590	2.475	2.590	+0.073	12,093

Est. sales N.A. Thu's sales 79,300
Thu's open int 200,075, up 1,918

UNLEADED GASOLINE (NMER) 42,000 gal, cents per gal

	High	Low	Latest	Chge	Opint
Sep 97	64.20	61.80	61.90	-2.43	44,758
Oct 97	60.00	57.75	58.50	-1.72	19,770
Nov 97	58.10	57.00	57.10	-1.33	9,087
Dec 97	57.60	56.50	56.50	-1.38	9,048
Jan 98	57.75	56.65	56.75	-1.13	8,040
Feb 98			58.23	unch.	2,614
Mar 98			58.75	unch.	4,211
Apr 98			61.25	unch.	1,370

Est. sales N.A. Thu's sales 34,972
Thu's open int 100,403, up 1,831

GASOIL (IPE) U.S. dollars per metric ton - lots of 100 tons

	High	Low	Latest	Chge	Opint
Aug 97	171.00	168.50	169.50	+0.25	14,751
Sep 97	172.50	170.00	171.00	+0.50	21,279
Oct 97	174.00	172.00	172.75	+0.50	10,701
Nov 97	175.25	173.75	174.25	+0.50	6,087
Dec 97	176.50	175.50	175.75	+0.75	13,152
Jan 98	175.00	176.25	176.25	+1.00	7,832
Feb 98	176.50	176.25	175.75	+1.00	5,116

Est. sales: 17,500. Prev. sales: 13,754
Prev. open int.: 86,704 off 161

BRENT OIL (IPE) U.S. dollars per barrel - lots of 1,000 barrels

	High	Low	Latest	Chge	Opint
Sep 97	18.88	18.28	18.48	-0.42	46,729
Oct 97	19.05	18.45	18.63	-0.47	60,970
Nov 97	19.17	18.65	18.80	-0.39	15,331
Dec 97	19.28	18.82	18.93	-0.37	19,752
Jan 98	19.29	18.98	18.96	-0.34	14,523
Feb 98	19.20	18.96	18.90	-0.34	6,386

Est. sales. 40,265. Prev. sales: 45,283
Prev. open int.: 176,517 off 140

Stock Indexes

SP COMP INDEX (CMER) 500 x index

	High	Low	Latest	Chge	Opint
Sep 97	956.00	926.25	937.50	-18.75	181,059
Dec 97	959.50	936.70	950.00	-16.70	6,162
Mar 98	957.00	957.00	957.00	-20.45	2,293

Est. sales N.A. Thu's sales 64,104
Thu's open int 190,206, up 1,587

FTSE 100 (LIFFE) £25 per index point

	High	Low	Latest	Chge	Opint
Sep 97	5173.0	5123.0	5044.0	-81.0	72,585
Dec 97	5176.0	5176.0	5109.0	-82.0	5,926
Mar 98	N.T.	N.T.	5154.0	-81.0	221

Est. sales: 12,845. Prev. sales: 19,074
Prev. open int.: 78,732 off 2,274

CAC 40 (MATIF) FF200 per index point

	High	Low	Latest	Chge	Opint
Aug 97	3048.0	2989.0	2999.0	-70.0	28,712
Sep 97	3055.0	3008.0	3008.0	-69.5	23,507
Dec 97	3075.0	3037.0	3032.5	-70.0	970
Mar 98	3091.0	3091.0	3058.5	-70.0	9,125

Est. sales: 16,138.
Open int.: 71,145 off 227

Commodity Indexes

	Close	Previous
Moody's	1,554.30	1,556.00
Reuters	1,924.10	1,972.20
D.J. Futures	151.95	151.50
CRB	243.73	243.26

Sources: Matif, Associated Press, London Int'l Financial Futures Exchange, Int'l Petroleum Exchange.

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EUROPE

Moscow Expands Accord on Bank Debt

Compiled by Our Staff From Dispatches

MOSCOW — The government said Friday it had reached a "reconciliation" with commercial bank creditors 68 percent of the $32.5 billion in loans and past-due interest it owes them.

The amount covered by the reconciliation — which is an agreement between borrower and creditors on the exact amount owed — grew from a 60 percent share a week earlier. Moscow now has reached agreement with 340 of its creditors, the Finance Ministry said.

Russia and the banks expect to reach a final agreement this year, said Tatiana Golodets, a representative of the state-owned Vnesheconombank, or Bank for Foreign Economic Relations.

Under a preliminary agreement Moscow reached with foreign banks in November 1995, at least 90 percent of the total debt owed to the London Club group of commercial bank creditors must be reconciled before a rescheduling of debt can be completed. Creditors are considering a Moscow proposal to reduce that minimum to 75 percent.

Separately, President Boris Yeltsin assured Russians that the government's plan to cut three zeroes off the ruble's exchange rate at year-end would not cause Russians to suffer.

He said the plan confirmed that Russia had defeated inflation and would restore confidence in the ruble.

"Previous reforms, starting from 1947, always took something from citizens," Mr. Yeltsin said. "As a result there was panic, stress, people crushed in lines and always victims. Nothing like that will happen now. The currency reform that we have announced will not lead to any confiscation. Therefore, we announced it in advance. I want there to be no rushing, no panic this time."

(Bloomberg, Reuters, AFP)

Paris Wraps Up 'Rigorous' Spending Plan

Compiled by Our Staff From Dispatches

PARIS — Prime Minister Lionel Jospin was putting the finishing touches Friday on planned spending levels for 1998 and was expected to settle on a package that could constitute the smallest rise in expenditure in a decade.

Government sources have said the aim is to keep the spending rise to less than 2 percent, and there were reports that Mr. Jospin might push for a cap of 1.2 percent.

"We have had two messages which look pretty rigorous — the aim for a 3 percent public deficit in 1998 and the 1.2 percent spending," said Erick Muller, an economist at UBS France.

"If that happens, it would be the smallest rise since 1987," he said of the prospective 1.2 percent increase in spending. "It's never been less than 2 percent since 1987, even if the 1997 budget bill from Juppe had aimed for lower."

Alain Juppe headed the previous center-right government that lost power in June.

Every ministry is to receive its 1998 spending-allocation letter by Tuesday, and government officials said there was no plan to reveal the result of Mr. Jospin's deliberations while the rest of the budget bill was being prepared for presentation to the cabinet Sept. 24.

The focus of Mr. Jospin's work Thursday and Friday was to ensure that the spending allocation was in line with a pledge to limit France's deficit to 3 percent of gross domestic product in 1998, in preparation for European monetary union, while rebalancing spending according to new priorities.

Government figures released Friday showed that France's current-account surplus narrowed in May, to 22.3 billion francs ($3.54 billion) from a record 23.8 billion francs in April.

"The outlook is better than expected," said Eric Chaney, an economist at Morgan Stanley. "The government shouldn't have great difficulties in limiting the public deficit to 3.3 percent of gross domestic product. In the event, 3.2 percent seems achievable."

The deficit last year was 4.2 percent of GDP. The government has estimated that the deficit this year will be from 3.1 percent to 3.3 percent of GDP.

By avoiding spending cuts, Mr. Jospin is "taking a real bet on growth and its effects on fiscal receipts" as well as on receipts that are not raised from taxes, Mr. Mueller of UBS France said.

The government expects the economy to grow 2.8 percent next year, up from 2.3 percent this year, which should generate higher tax revenue.

Mr. Jospin's top priority during the budget negotiations was the funding of the Employment Ministry, headed by Martine Aubry.

She is in charge of fulfilling a promise by the Socialist-led government to create 350,000 jobs for the young in the public sector over the next few years. "It's gone well," she said Friday of the negotiations. (Reuters, Bloomberg)

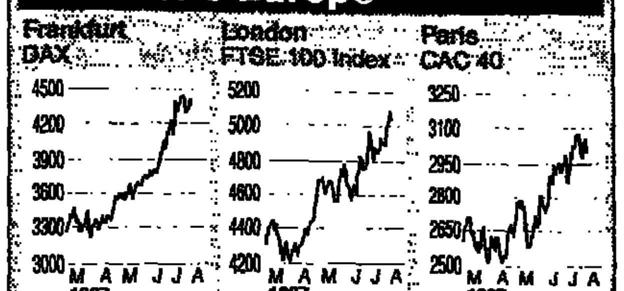
■ Kohl Issues a Tax Challenge

Chancellor Helmut Kohl vowed to press on with a fiercely contested tax-reform plan and insisted Germany would meet the criteria for entry into a single European currency, Agence France-Presse reported from Bonn.

In an interview with RTL television from Sankt Gilgen, Austria, where he is on vacation, Mr. Kohl threatened to turn the tax debate into the key issue of the campaign for next year's legislative elections.

"I think it still has a good chance," Mr. Kohl said of his tax plan. "If the Social Democrats cannot agree now because of internal problems over who will be their candidate for chancellor, then we will make it an election issue. It will decide the election, and they will lose it."

Investor's Europe



Exchange	Index	Friday Close	Prev. Close	% Change
Amsterdam	AEX	995.16	1,010.97	-1.46
Brussels	BEL-20	2,431.48	2,479.77	-1.95
Frankfurt	DAX	4,354.15	4,414.35	-1.36
Copenhagen	Stock Market	635.61	638.05	-0.38
Helsinki	HEX General	3,609.73	3,685.86	-2.07
Oslo	OBX	717.24	722.63	-0.75
London	FTSE 100	5,037.20	5,090.60	-1.05
Madrid	Stock Exchange	594.84	602.93	-1.34
Milan	MIBTEL	14572	14847	-1.85
Paris	CAC 40	2,996.27	3,056.34	-1.97
Stockholm	SX 16	3,592.41	3,675.10	-2.25
Vienna	ATX	1,432.67	1,465.00	-2.21
Zurich	SPI	3,738.00	3,768.27	-0.81

Source: Telekurs — International Herald Tribune

KLM Gets Top Price for Northwest

Compiled by Our Staff From Dispatches

AMSTELVEEN, Netherlands, — KLM Royal Dutch Airlines said Friday that it would receive $40 a share for its 19 percent stake in Northwest Airlines Corp., bringing it a total of $1.17 billion by the time the last of the shares is sold back in three years.

The share price was at the top end of the range of $36.50 to $40 range agreed to July 30, when the two airlines announced a general agreement on the transaction.

The plan ended a three-and-a-half-year feud that threatened to unravel their profitable trans-Atlantic alliance. KLM said the $40 price had been based on the weighted average share price of Northwest on the Nasdaq market in New York this week.

Northwest shares were quoted at $40, unchanged, in late New York trading.

KLM bought its Northwest stake in 1989 for $400 million.

KLM said it would not comment on what it would do with the sale proceeds — which would exceed $272 million this year — until the agreement received final approval from the companies' boards. Some analysts expected it to consider buying back more of its shares from the Dutch government or buying remaining shares in other partnerships.

KLM shares slipped 2 guilders to close at 77.20 ($36.68) in Amsterdam. The shares have risen nearly 5 percent since the agreement on the Northwest stake was announced.

Corne Zandbergen, an analyst at Generale Bank Oyens & van Eeghen, said it would make sense for KLM to use the funds to take full control of other airlines in which it owns stakes, as it did in its recent takeover of Air UK. (Bloomberg, AP)

Astra's Profit Rises as U.S. Sales Improve

Compiled by Our Staff From Dispatches

STOCKHOLM — Astra AB said Friday that pretax profit rose 4 percent as sales rose 13 percent in the first half, with North American markets showing the strongest sales growth.

The drug company posted a pretax profit of 7.01 billion kronor ($868.7 million) in the first six months, slightly lower than market expectations of 7.18 billion kronor. Sales rose to 21.47 billion kronor.

But Astra's shares slumped, falling 6.9 percent to close at 142 kronor.

"Astra was the darling of the market for a long time, but it's become less of a darling in recent years," said Caspar Rock, fund manager with Framlington Group PLC. "The problem is, research and development hasn't come up with a replacement for Losec."

Losec, an ulcer agent, is Astra's key drug, but the company's patent protection on it is set to expire in a few years. (Bloomberg, Reuters)

Very briefly:

- **Guinness PLC** said **LVMH Moet Hennessy Louis Vuitton SA** had sold 2 million Guinness shares, cutting its stake in the brewer to 11.99 percent from 12.1 percent.
- **AO Kamaz**, a Russian truckmaker, suspended an agreement with **Kohlberg Kravis Roberts & Co.**, charging that the U.S. investment firm had failed to live up to its commitment to attract $3.5 billion in investment for Kamaz.
- **Volkswagen AG's** negotiations with the European Commission to resolve a dispute over subsidies have entered their final phase, Germany's Economics Ministry said.
- **Switzerland's** unemployment rate fell to a lower-than-expected 5 percent in July, the fifth consecutive monthly decline and an indication the economy could be recovering from six years of stagnation. There were 182,477 people out of work at the end of July, down from 185,320 in May.
- **Commerzbank AG's** shares rose 4.9 percent, to 66.55 Deutsche marks ($35.38), amid speculation the bank would be the next takeover candidate as Germany's banking industry consolidated.
- **The Czech Republic's** consumer price index rose 3.5 percent in July, its largest increase since 1993, after a series of price deregulations. On a year-on-year basis, the inflation rate rose to 9.4 percent, its highest level in a year.
- **JCI Ltd.**, which wants to buy a stake in the British conglomerate **Lonrho PLC** from **Anglo American Corp.** of South Africa, has received signals the European Union will approve the deal, a source at one of the companies said.
- **Van Dorp Groep NV's** net loss narrowed to 2.9 million guilders ($1.4 million) in the first half from 3.2 million guilders a year earlier, as a reorganization got under way.
- **Telepizza SA's** first-half profit rose a better-than-expected 45 percent, to 1.03 billion pesetas ($6.5 million), as Spain's largest pizza-delivery company increased sales to retail customers and franchisees. AFX, Bloomberg, Reuters

Rome Set to Rescue 2 Sicily Banks

Bloomberg News

MILAN — The Italian government announced Friday that it intended to impose a rescue plan on two unprofitable banks in Sicily, overriding the objections of the island's local government.

The treasury said it saw no way to accept the insistence of the Sicilian government that Cassa di Risparmio di Sicilia SpA, or Sicilcassa, remain in Sicilian hands and that Banco di Sicilia SpA be returned to local control.

The treasury plans to merge Banco di Sicilia and Sicilcassa and then transfer their control to Mediocredito Centrale SpA, a state-controlled medium-term lending institution. The Sicilian legislature voted this week that Sicilcassa must remain independent and in Sicilian hands.

The treasury statement followed a meeting of the treasury minister, Carlo Azeglio Ciampi; the governor of the Bank of Italy, Antonio Fazio, and representatives of the Sicilian government.

The statement said Mr. Fazio and Mr. Ciampi explained "that at the current state of play, there aren't the conditions to accept the insistence of the Sicilian regional assembly."

WORLD STOCK MARKETS

Friday, Aug. 8
Prices in local currencies.
Telekurs

Amsterdam
AEX index: 994.16 Previous: 1010.97

	High	Low	Close	Prev.
ABN-AMRO	51	49.10	50.50	51.20
Aegon	157.70	154	156.70	157.60
Ahold	63.50	59.50	62.10	63.30
Akzo Nobel	354	342	346	349.70
Baan Co.	152.20	145.10	149.50	154.20
Bols Wess cva	42.60	41.80	42.50	42.60
CSM cva	111.30	110.60	111.90	113.80
Dordtsche Pet	118.20	113	115	119
DSM	214.50	210.50	210.50	214.80
Elsevier	35.40	32	32.90	35.20
Fortis Amev	95.20	91.80	93.30	95
Getronics	73.70	71	71.50	73.70
G-Broc cva	66	64.60	66	64.70
Hagemeyer	116.50	112.80	116.50	116.50
Heineken	331.30	326	327.50	331.40
Hoogovens cva	132	125.50	128.50	131.10
Hunt Douglas	96.70	95	95.50	94.50
ING Group	101.90	100.30	101.50	102.50
KLM	79	76.70	77.20	79.20
KNP BT	50.20	49	49.20	50.10
KPN	85	83.10	84	85
Nedlloyd Gp	68	66.30	67.20	68
Nutricia	363.90	356.30	363.70	357.10
Oce Grinten	265.30	258.50	260	265.40
Philips Elec	172.90	169	171.30	172.80
Polygram	124.30	120.50	121	125.40
Randstad Hdg	91.50	88	90	91
Robeco	211.40	208.80	208.80	213.70
Rodamco	64.80	64.30	64.80	64.90
Rolinco	213	211.80	211.80	215.50
Rorento	118.70	118	118.70	119.20
Royal Dutch	117.50	112	114.40	117.90
Unilever cva	492.80	480	484	486.80
Vendex Intl	115.50	113	113.40	114.90
VNU	48	46.30	46.90	48
Wolters Kl cva	283.50	278	282	282.70

Bangkok
SET index: 636.85 Previous: 638.84

	High	Low	Close	Prev.
Adv Info Svc	238	224	236	230
Bangkok Bk F	234	228	230	232
Krung Thai Bk	31.75	30.75	31.50	31.75
PTT Explor	400	398	398	398
Siam Cement F	644	624	640	632
Siam Com Bk F	137	129	135	131
Telecomasia	45.25	43.25	43.25	44
Thai Airways	53.50	49.25	51.50	50.50
Thai Farm Bk F	149	142	148	150
Utd Comm	137	129	136	130

Bombay
Sensex 30 index: 4397.54 Previous: 4447.86

	High	Low	Close	Prev.
Bajaj Auto	894	873.25	875.75	890
Hindust Lever	1562	1510	1532.75	1554
Hindust Petlm	516	490	491.50	510.75
Ind Dev Bk	108.75	104	105.50	108.50
ITC	585	573.50	582.25	574
Mahanagar Tel	290	283	284.25	287.75
Reliance Ind	373.75	369.50	371	369.50
State Bk India	350	320.50	325.50	327
Steel Authority	24.25	23.25	23.25	24.50
Tata Eng Loco	381	366.25	371	378.50

Brussels
BEL-20 index: 2431.48 Previous: 2479.77

	High	Low	Close	Prev.
Almanij	17025	16525	16850	17000
Barco Ind	7700	7450	7600	7740
BBL	9100	8920	8980	9130
CBR	3300	3200	3215	3330
Colruyt	17800	17475	17600	18050
Delhaize Lion	1950	1850	1890	1930
Electrabel	7690	7650	7670	7690
Electrafina	3650	3575	3590	3640
Fortis AG	7960	7650	7700	7990
Gevaert	3420	3350	3350	3405
GBL	5980	5900	5930	6000
Gen Banque	14475	14200	14300	14400
Kredietbank	15000	14625	14700	14950
Petrofina	14550	14100	14100	14675
Powerfin	4930	4895	4895	4935
Royale Belge	10800	10500	10600	10800
Soc Gen Belg	3540	3430	3460	3540
Solvay	21375	21025	21100	21550
Tractebel	14825	14725	14725	14775
UCB	130000	126000	126950	130000

Copenhagen
Stock Index: 635.61 Previous: 638.05

	High	Low	Close	Prev.
BG Bank	394	385	394	390
Carlsberg B	349	342	343	346
Codan Fors	980	950	970	1000
Danisco	383	377	382	382
Den Danske Bk	717	704	713	710
D/S Svendbrg B	435000	435000	435000	433433
D/S 1912 B	305000	295000	305000	305000
FLS Ind B	250	245	245	248
Kob Lufthavne	731	725	730	722
Nvo Nordisk B	733	713	714	725
Sophus Ber B	981	970	973	975
Tele Danmk B	400.61	385	389	399
Tryg Baltica	417	410	412	415
Unidanmark A	424	405	422	411

Frankfurt
DAX: 4354.15 Previous: 4414.35

	High	Low	Close	Prev.
AMB B	1855	1840	1848	1855
Adidas	232	228	228.50	230.50
Allianz Hdg	451.50	442.50	443.40	450.50
Altana	187	177	187	185.50
Bk Berlin	48.75	47.90	48.75	47.15
BASF	72.45	71.60	71.60	72.35
Bayer Hypo Bk	73.60	72.50	72.50	73.55
Bay.Vereinsbank	98.30	97.50	98.10	96.70
Bayer	77.75	76.50	76.65	76.60
Beiersdorf	90	88	90	88
Bewag	40.50	40.20	40.45	40.65
BMW	1450	1437	1441	1460
CKAG Colonia	182	179	181.30	181
Commerzbank	66.55	65.35	66.55	63.45
Daimler Benz	148.50	147.40	147.45	149.80
Degussa	103	101.70	102.30	103
Deutsche Bank	120.60	118.50	118.60	119.75
Deut Telekom	43	42.30	42.60	43.45
Dresdner Bank	82.30	81	81.20	80.70
Fresenius	330	329	329.80	333
Fresenius Med	151.50	149	150.30	146.50
Fried. Krupp	327	319	320	324
Gehe	112.90	111	111	111.70
Heidelbg Zmt	152	150	150	152.10
Henkel pfd	103.80	100.75	101.20	103.50
HEW	465	455	460	455
Hochtief	89.90	87.50	88.50	87
Hoechst	85.20	83.30	83.30	86.60
Karstadt	707	698	703	705
Lahmeyer	104.50	98.50	98.50	105.50
Linde	1423	1400	1400	1430
Lufthansa	35.80	35.02	35.02	36.02
MAN	549.50	547.50	547.50	546.60
Mannesmann	878	860	862	883
Metallgesellschaft	43.50	42.20	42.42	43.18
Metro	99	96.10	96.20	97.60
Munch Rueck R	6865	6630	6630	6955
Preussag	580	567	567	577
RWE	84.90	84.50	84.60	86.90
SAP pfd	438.50	435	437	439.50
Schering	213.90	209.10	209.10	209.50
SGL Carbon	252	246	251	244
Siemens	127.50	126.25	126.65	128.30
Springer (Axel)	1560	1550	1560	1548
Suedzucker	879	877	878	880
Thyssen	415	413	413	417.50
Veba	112.20	110.30	110.40	112.60
VEW	575	574	576	575
Viag	791.50	785	785.50	793.50
Volkswagen	1362	1345	1346	1356

Helsinki
HEX General Index: 3609.73 Previous: 3685.86

	High	Low	Close	Prev.
Enso A	51	49.90	50.50	50.20
Huhtamaki I	244	240	240	244
Kemira	51.60	50	50.50	51.70
Kesko	77	75.50	75.50	77
Merita A	23.90	23.20	23.50	24
Metra B	188	185	185	188.90
Metso-Serla B	50.10	49	49.20	49
Neste	139	137	137	138
Nokia A	494	468.10	471	492
Orion-Yhtymae	200	199	199	200
Outokumpu A	106	105.30	105.50	106.20
UPMKymmene	138	136	136.30	136.60
Valmet	86.50	85.50	85.50	86.70

Hong Kong
Hang Seng: 16647.54 Previous: 16673.27

	High	Low	Close	Prev.
Amoy Props	9.80	9.50	9.70	9.90
Bk East Asia	31.30	30.80	31.20	30.90
Cathay Pacific	14.70	13.80	13.90	14.75
Cheung Kong	96.50	94.75	96.25	96.75
CK Infrastruct	27.60	27.25	27.30	27.45
China Light	44.60	43.80	43.80	44.50
Citic Pacific	52	49.80	51.25	50.25
Dao Heng Bk	47.40	46.70	47	46.70
First Pacific	9.75	9.50	9.65	9.75
Hang Lung Dev	15.85	15.50	15.55	15.80
Hang Seng Bk	105	103	103	103.50
Henderson Inv	8.95	8.80	8.85	8.95
Henderson Ld	76	74.25	75.25	76.50
HK China Gas	16.70	16.25	16.65	16.25
HK Electric	32	31.20	31.50	31.60
HK Telecomm	19.50	19.10	19.40	19.40
Hopewell Hdgs	4.75	4.65	4.70	4.67
HSBC Hdgs	274	269	272	272
Hutchison Wh	81.75	80.25	80.75	81
Hysan Dev	27.30	26.50	26.75	27.30
Johnson El Hdg	21	20.40	20.50	20.50
Kerry Props	21	20.50	20.95	20.85
New World Dev	59	56	58.75	57.75
Oriental Press	2.95	2.88	2.92	2.90
Pearl Oriental	1.26	1.23	1.25	1.25
SHK Props	105	102	104.50	104
Shun Tak Hdgs	4.97	4.72	4.85	4.88
Sino Land Co.	8.60	8.20	8.40	8.55
Sth China Post	7.95	7.70	7.85	7.75
Swire Pac A	72.50	70	72	71.75
Wharf Hdgs	34.60	33.50	33.50	34.60
Wheelock	19.75	19.20	19.20	19.80

Jakarta
Composite Index: 675.44 Previous: 677.94

	High	Low	Close	Prev.
Astra Intl	7975	7700	7900	7725
Bk Intl Indon	1675	1525	1575	1600
Bk Negara	1425	1350	1425	1350
Gudang Garm	9175	8850	8850	8850
Indocement	4025	3850	3875	4000
Indofood	5200	5200	5200	4925
Indosat	7550	7400	7425	7600
Sampoerna HM	8500	8300	8325	8325
Semen Gresik	4100	3800	3800	4025
Telekomunikasi	3925	3800	3850	3850

Johannesburg
All Market: 7599.20 Previous: 7614.26

	High	Low	Close	Prev.
Amalgamtd Bks	33.50	32	33.50	33.50
AngloAm Coal	256.50	256	256.50	256.50
AngloAm-Corp	269.25	267	268	268
AngloAm Gold	255.50	250	250	250
AngloAm Ind	210	207	210	210
AVMIN	11.70	11.30	11.60	11.60
Barlow	60.75	60.25	60.75	60.75
C.G. Smith	25.85	25.60	26	26
De Beers	175	171	178	178
Driefontein	33.75	33	33	33
Fst Natl Bk	38.75	38.25	38.25	38.25
Gencor	10.70	10.45	10.70	10.70
GFSA	94	93	95	95
Imperial Hdgs	61	60.50	61	61
Ingwe Coal	24.75	24.15	24.15	24.15
Iscor	3.15	3.11	3.15	3.15
Johnnies Indl	66	65	67	67
Liberty Hdgs	377	375	378	378
Liberty Life	144.75	143	144.75	144.75
LibLife Strat	18.90	18.80	18.80	18.80
Minorco	98	97	98	98
Nampak	19.25	19.15	19.30	19.30
Nedcor	101	100	99.50	99.50
Rembrandt Gp	47.80	47.30	47.80	47.80
Richemont	68.25	67.75	68	68
Rust Platinum	84	83	83.25	83.25
SA Breweries	148	145	148.50	148.50
Samancor	40.25	40	40	40
Sasol	59.25	58.75	59	59
SBIC	221	219	219.50	219.50
Tiger Oats	79.75	79.25	80	80

Kuala Lumpur
Composite: 932.34 Previous: 928.33

	High	Low	Close	Prev.
AMMB Hdgs	12.60	12.20	12.20	12.30
Genting	10.90	10.60	10.70	10.60
Mal Banking	22.70	22.30	22.40	22.60
Mal Intl Ship F	Susp.	Susp.	Susp.	6.85
Petronas Gas	9.25	9	9.10	9
Proton	10.50	10.20	10.30	10.30
Public Bk	3.64	3.40	3.62	3.58
Renong	3.38	3.26	3.32	3.34
Resorts World	7.75	7.30	7.35	7.75
Rothmans PM	24	23.20	23.60	23.20
Sime Darby	7.75	7.45	7.70	7.50
Telekom Mal	9.20	8.95	9	9
Tenaga	10.20	9.60	9.80	9.60
Utd Engineers	16.50	16	16.10	16.20
YTL	7.10	6.75	6.95	7

London
FT-SE 100: 5028.20 Previous: 5086.80

	High	Low	Close	Prev.
Abbey Natl	8.58	8.40	8.48	8.54
Allied Domecq	4.57	4.43	4.55	4.47
Anglian Water	7.97	7.82	7.87	7.91
Argos	6.57	6.46	6.52	6.50
Asda Group	1.51	1.46	1.46	1.50
Assoc Br Foods	5.46	5.39	5.46	5.40
BAA	5.77	5.60	5.63	5.72
Barclays	14.55	14.10	14.15	14.32
Bass	8.51	8.26	8.35	8.52
BAT Ind	5.16	5.07	5.09	5.14
Bank Scotland	4.49	4.27	4.35	4.48
Blue Circle	4.56	4.27	4.46	4.22
BOC Group	11.96	11.68	11.73	11.78
Boots	8.18	7.96	7.96	8.10
BPB Ind	3.63	3.54	3.63	3.54
Brit Aerosp	14.92	14.39	14.85	14.41
Brit Airways	6.55	6.40	6.51	6.44
BG	2.48	2.42	2.44	2.50
Brit Land	6.06	5.95	6.02	6.02
Brit Petm	9.15	8.96	8.96	9.15
BSkyB	4.85	4.70	4.75	4.82
Brit Steel	1.70	1.67	1.68	1.68
Brit Telecom	4.29	3.69	4.25	4.16
BTR	1.98	1.88	1.93	1.97
Burmah Castrol	11.09	10.85	10.85	11
Burton Gp	1.30	1.28	1.30	1.29
Cable Wireless	6.10	5.93	6	6.08
Cadbury Schw	6.23	6.07	6.17	6.22
Carlton Comm	4.90	4.80	4.81	4.91
Coml Union	7.47	7.11	7.40	7.15
Compass Gp	6.20	6.06	6.17	6.11
Courtaulds	3.47	3.32	3.40	3.28
Dixons	6.09	5.99	6.04	6.07
Electrocomponents	4.72	4.65	4.68	4.68
EMI Group	5.80	5.66	5.69	5.70
Energy Group	6.33	6.24	6.27	6.26
Enterprise Oil	7.33	7.25	7.32	7.29
Fam Colonial	1.81	1.61	1.79	1.79
Genl Accident	9.57	9.32	9.38	9.59
GEC	3.99	3.92	3.97	3.95
GKN	12.38	11.85	12.25	11.88
Glaxo Wellcome	13.36	12.29	12.90	13.26
Granada Gp	8.20	8.01	8.12	8.04
Grand Met	6	5.90	5.95	6
GRE	3.07	2.96	3.01	3.08
Greenalls Gp	4.54	4.40	4.48	4.38
Guinness	6	5.86	5.91	5.98
GUS	6.47	6.32	6.37	6.35
Hays	6.06	6.02	6.05	6.01
HSBC Hldgs	23.28	21.87	21.98	22.28
ICI	11.05	10.79	10.81	11.04
Impl Tobacco	3.90	3.84	3.90	3.84
Kingfisher	7.33	7.17	7.28	7.20
Ladbroke	2.55	2.44	2.47	2.54
Land Sec	9.58	9.38	9.43	9.44
Lasmo	2.86	2.75	2.78	2.88
Legal Genl Grp	4.57	4.45	4.45	4.53
Lloyds TSB Gp	7.80	7.35	7.50	7.79
LucasVarity	2.21	2.07	2.16	2.07
Marks Spencer	6.02	5.95	5.97	6
MEPC	5.04	4.97	4.99	4.98
Mercury Asset	14.10	13.81	13.83	13.94
National Grid	2.58	2.49	2.50	2.57
Natl Power	5.46	5	5.22	5.39
NatWest	8.50	8.30	8.38	8.48
Next	8.02	7.72	8	7.71
Norwich Union	3.29	3.23	3.24	3.28
Orange	2.10	2.07	2.09	2.08
P&O	6.44	6.28	6.28	6.43
Pearson	7.86	7.76	7.80	7.77
Pilkington	1.50	1.43	1.49	1.45
PowerGen	7.25	6.98	7.06	7.21
Premier Farnell	5.35	5.08	5.30	5.09
Prudential	6.16	6.08	6.11	6.14
Railtrack Gp	8	7.84	7.85	7.96
Rank Group	3.50	3.35	3.46	3.41
Reckitt Colm	10.20	9.85	9.92	10.26
Redland	3.24	3.05	3.06	3.06
Reed Intl	5.90	5.62	5.66	5.90
Rentokil Initial	2.39	2.21	2.28	2.23
Reuters Hdgs	6.90	6.73	6.75	6.93
Rexam	3.04	2.92	2.92	3.03
RMC Group	11.30	10.70	11.03	10.73
Rolls Royce	2.65	2.52	2.53	2.55
Royal Bk Scot	6.52	6.29	6.30	6.50
RTZ reg	11.39	10.30	10.70	10.27
Royal & Sun All	5.46	5.35	5.40	5.46
Safeway	3.91	3.78	3.83	3.97
Sainsbury	4.45	4.23	4.35	4.42
Schroders	18.70	18.50	18.50	18.63
Scot Newcastle	7.48	7.28	7.35	7.47
Scot Power	4.48	4.35	4.42	4.38
Securicor	2.91	2.86	2.86	2.80
Severn Trent	8.40	8.21	8.23	8.43
Shell Transp R	4.59	4.42	4.44	4.54
Siebe	11.60	11.28	11.55	11.25
Smith Nephew	1.75	1.73	1.75	1.73
SmithKline	11.95	11.56	11.68	11.98
Smiths Ind	8.77	8.35	8.48	8.32
Sthern Elec	4.60	4.50	4.52	4.45
Stagecoach	6.63	6.38	6.47	6.55
Stand Charter	10.97	10.60	10.60	10.74
Tate & Lyle	4.22	4.12	4.14	4.10
Tesco	4.29	4.09	4.15	4.31
Thames Water	7.92	7.78	7.82	7.83
3i Group	4.90	4.61	4.81	4.61
TI Group	6.20	5.94	6.16	5.93
Tomkins	3.37	3.27	3.36	3.22
Unilever	19.28	19.08	19.20	19.13
Utd Assurance	4.60	4.46	4.53	4.59
Utd News	6.83	6.70	6.75	6.82
Utd Utilities	7.15	6.90	7.02	7.11
Vendome Lx uts	4.71	4.52	4.71	4.53
Vodafone	3.18	3.13	3.14	3.18
Whitbread	8.50	8.28	8.28	8.50
Williams Hdgs	3.53	3.32	3.47	3.34
Wolseley	5.05	4.85	4.90	4.85
WPP Group	2.75	2.68	2.71	2.66
Zeneca	20.63	19.85	19.95	20.53

Madrid
Bolsa index: 594.84 Previous: 602.40

	High	Low	Close	Prev.
Acerinox	28100	27700	28100	28080
ACESA	1800	1770	1780	1785
Aguas Barcelon	5870	5770	5800	5860
Argentaria	8170	7980	8080	8210
BBV	4240	4175	4220	4285
Banesto	1460	1425	1435	1455
Bankinter	7650	7520	7530	7700
Bco Centro Hisp	5890	5810	5880	5900
Bco Popular	36090	35110	35250	36000
Bco Santander	4460	4370	4455	4430
CEPSA	4750	4660	4750	4710
Continente	3330	3250	3290	3395
Corp Mapfre	8550	8350	8530	8450
Endesa	3180	3115	3130	3200
FECSA	1300	1270	1280	1300
Gas Natural	6800	6650	6680	6790
Iberdrola	1850	1815	1840	1860
Pryca	3030	2930	2975	3010
Repsol	6310	6210	6240	6350
Sevillana Elec	1420	1390	1395	1405
Tabacalera	7820	7730	7780	7860
Telefonica	4165	4115	4150	4190
Union Fenosa	1235	1220	1235	1240
Valenc Cement	2775	2760	2760	2760

Manila
PSE Index: 2647.82 Previous: 2670.81

	High	Low	Close	Prev.
Ayala B	18.25	17.75	17.75	18
Ayala Land	21.25	20.50	21	21.25
Bk Philip Isl	152	150	150	152
C&P Homes	10	9.70	9.80	10.25
Manila Elec A	89	86.50	89	87
Metro Bank	550	535	540	555
Petron	6.20	6	6.10	6.20
PCIBank	223	221	223	220
Phil Long Dist	940	930	940	930
San Miguel B	63.50	63	63	64
SM Prime Hdg	8	7.80	7.80	8.10

Mexico
Bolsa index: 5119.81 Previous: 5195.29

	High	Low	Close	Prev.
Alfa A	65.00	64.50	64.80	65.10
Banacci B	25.00	24.50	24.80	25.00
Cemex CPO	42.50	42.05	42.10	42.75
Cifra C	14.20	13.90	14.02	14.30
Emp Moderna	44.60	44.00	44.00	44.80
Gpo Carso A1	64.00	63.00	63.50	63.90
Gpo F Bcomer	3.75	3.65	3.66	3.75
Gpo Fin Inbursa	37.10	37.10	37.10	37.20
Kimb Clark Mex	37.20	36.80	36.80	37.60
Televisa CPO	127.40	125.30	126.20	128.50
TelMex L	21.40	21.10	21.10	21.50

Milan
MIB Telematico: 14572.00 Previous: 14822.00

	High	Low	Close	Prev.
Alleanza Assic	15345	14850	15095	15250
Bca Comm Ital	4200	4070	4190	4105
Bca Fideuram	5850	5610	5655	5650
Bca di Roma	1650	1591	1596	1625
Benetton	27350	25350	26150	26900
Credito Italiano	3565	3440	3535	3600
Edison	8525	8250	8320	8400
ENI	10690	10390	10390	10650
Fiat	6070	5840	5905	6005
Generali Assic	36600	35350	35700	36450
IMI	17140	16550	16550	17000
INA	2660	2585	2586	2645
Italgas	5570	5335	5345	5465
Mediaset	8040	7730	7830	8080
Mediobanca	11860	11500	11675	12000
Montedison	1170	1138	1140	1173
Olivetti	655	630	630	640
Parmalat	2655	2580	2580	2620
Pirelli	5005	4640	4860	5045
RAS	15100	14735	14725	14900
Rolo Banca	22000	21050	21250	20300
S Paolo Torino	14315	13700	13730	14400
Telecom Italia	11570	11150	11150	11540
TIM	6285	6125	6125	6215

Montreal
Industrials index: 3712.86 Previous: 3750.65

	High	Low	Close	Prev.
Bce Mob Com	51	49	50	50
Cdn Tire A	27.80	27.65	27.65	27.80
Cdn Util A	39¼	39.10	39.10	39.35
CT Finl Svc	44¾	44½	44½	44½
Gaz Metro	18.85	18.55	18.55	18.65
Gt-West Lifeco	34	33.85	33.85	34
Imasco	41.80	41.55	41.65	41.80
Investors Grp	37.80	37.15	37.15	37.80
Loblaw Cos	20.60	20.55	20.55	21
Natl Bk Canada	17.80	17.65	17.65	17.90
Power Corp	39½	39.05	39.10	39½
Power Finl	38½	37.80	37.80	38.45
Quebecor B	27¼	27.30	27.40	27¼
Rogers Comm B	10.80	10.80	10.80	11
Royal Bk Cda	66.15	65.20	65.45	66.95

Oslo
OBX index: 717.24 Previous: 722.63

	High	Low	Close	Prev.
Aker A	153	148.50	152	154
Bergesen Dy A	202	198	201	202
Christiania Bk	27.20	26.40	26.90	27.30
Den norske Bk	32.80	32	32.50	32.80
Elkem	156	153	156	155.50
Hafslund A	46	45.50	46	45.50
Kvaerner Asa	458	450	458	456
Norsk Hydro	413.50	410	411.50	411
Norske Skog A	292	289	291	290
Nycomed A	167.50	164	165.50	168.50
Orkla Asa A	560	553	558	565
Petm GeoSvc	452	438	442	458
Saga Petm A	156	154.50	155.50	157
Schibsted	137	134	134	137
Transocean Off	633	632.50	633	630
Storebrand Asa	48.70	47.80	48.70	48.50

Paris
CAC-40: 2994.27 Previous: 3056.34

	High	Low	Close	Prev.
Accor	992	973	984	981
AGF	215	209	212.50	216.30
Air Liquide	958	930	936	964
Alcatel Alsth	869	845	858	874
Axa-UAP	419	414	414.50	418
Bancaire	755	739	746	742
BIC	535	514	515	528
BNP	291.90	280.50	284.60	293
Canal Plus	1137	1103	1120	1135
Carrefour	4040	3951	3971	4046
Casino	284	277.10	279	283
CCF	338	330.50	335.30	341.20
Cetelem	717	708	708	705
Christian Dior	968	951	960	969
CLF-Dexia Fran	579	568	569	581
Credit Agricole	N.T.	N.T.	N.T.	1260
Danone	942	925	931	950
Elf-Aquitaine	698	677	682	702
Eridania BS	840	806	808	840
Eurodisney	9	8.80	9	8.90
Eurotunnel	7.25	7	7.25	7.10
Gen. Eaux	757	732	743	750
Havas	403	396.10	396.60	400.50
Imetal	854	834	843	828
Lafarge	446	436.40	440	448.40
Legrand	1240	1187	1193	1229
L'Oreal	2461	2382	2400	2465
LVMH	1539	1500	1509	1544
Michelin B	375	363.20	366	378
Paribas A	463	454.30	457.80	460.50
Pernod Ricard	320.80	308.50	314	306.40
Peugeot Cit	721	703	712	717
Pinault-Print	2730	2651	2699	2740
Promodes	2347	2263	2279	2353
Renault	172	165.20	165.50	172.70
Rexel	1686	1650	1665	1679
Rh-Poulenc A	254	247.10	249.20	255.70
Sanofi	647	623	638	648
Schneider	352	341.60	345	348
SEB	1019	995	1011	1020
SGS Thomson	600	569	573	571
Ste Generale	816	807	813	818
Sodexho	3035	2990	3010	3038
St Gobain	919	903	913	910
Suez (Cie)	16.30	16	16	16.30
Suez Lyon Eaux	661	647	651	667
Synthelabo	747	731	743	753
Thomson CSF	161	158.40	160	159.80
Total B	636	604	608	638
Usinor	118.40	114.70	116.80	115.10
Valeo	378	365.50	368.30	376.50

São Paulo
Bovespa Index: 12134.88 Previous: 12222.80

	High	Low	Close	Prev.
Bradesco Pfd	11.32	11.19	11.30	11.26
Brahma Pfd	821.00	820.00	820.00	822.99
Cemig Pfd	56.70	55.49	55.51	57.00
CESP Pfd	78.90	78.31	78.31	79.29
Copel	N.T.	N.T.	N.T.	17.80
Eletrobras	555.00	535.00	547.00	550.01
Itaubanco Pfd	655.00	649.99	649.99	659.99
Light Servicos	536.00	530.00	536.00	539.00
Lightpar	463.00	460.00	463.00	469.00
Petrobras Pfd	304.00	293.01	300.02	305.00
Paulista Luz	212.00	210.00	210.01	210.00
Sid Nacional	36.40	36.00	36.20	36.49
Souza Cruz	11.50	11.25	11.25	11.49
Telebras Pfd	152.10	148.50	150.20	153.00
Telemig	195.02	194.95	195.02	202.00
Telerj	166.01	163.00	166.00	164.00
Telesp Pfd	351.00	340.00	344.00	349.00
Unibanco	39.15	39.00	39.00	39.12
Usiminas Pfd	12.70	12.00	12.14	12.25
CVRD Pfd	28.00	27.40	27.92	28.10

Seoul
Composite Index: 752.01 Previous: 745.35

	High	Low	Close	Prev.
Dacom	96500	95900	96500	95900
Daewoo Heavy	8100	7900	7900	8000
Hyundai Eng.	21000	20600	20900	20600
Kia Motors	14000	13100	14000	13000
Korea El Pwr	27400	26800	27400	26800
Korea Exch Bk	5750	5540	5750	5570
LG Semicon	47500	46100	47500	46100
Pohang Iron St	60600	59000	60600	58900
Samsung Display	46900	46000	46700	45700
Samsung Elec	69700	69000	69500	69500
Shinhan Bank	9550	9450	9550	9500
SK Telecom	466000	459000	464000	463000

Singapore
Straits Times: 1943.92 Previous: 1953.24

	High	Low	Close	Prev.
Asia Pac Brew	6	6	6	5.85
Cerebos Pac	5.65	5.50	5.65	5.55
City Devlts	12.40	12	12.20	12.30
Cycle Carriage	12.40	12	12.10	12.50
Dairy Farm Int *	0.93	0.91	0.92	0.92
DBS foreign	18.20	16.60	17.40	18.10
DBS Land	4.56	4.50	4.50	4.56
Fraser & Neave	10.30	9.85	10.20	9.90
HK Land *	3.42	3.24	3.42	3.42
Jard Matheson *	8	7.90	7.95	8.10
Jard Strategic *	4.24	4.16	4.18	4.20
Keppel A	6.10	5.95	6	6.05
Keppel Bank	3.82	3.72	3.76	3.70
Keppel Fels	5.05	5	5	5
Keppel Land	4.34	4.28	4.30	4.30
OCBC foreign	14	13	13.80	13.70
OS Union Bk F	8.85	7.85	8.50	8.45
Parkway Hdgs	6.35	6.20	6.30	6.25
Sembawang	6.60	6.55	6.55	6.60
Sing Air foreign	12.80	11.50	12.10	12.50
Sing Land	7.30	7.20	7.20	7.20
Sing Press F	27.60	24.20	26.40	27.20
Sing Tech Ind	3.72	3.70	3.72	3.74
Sing Telecomm	2.70	2.58	2.70	2.58
Tai Lee Bank	2.81	2.77	2.78	2.78
Utd Industrial	1.11	1.07	1.11	1.07
Utd O'Sea Bk F	14.60	13.10	13.70	14.40
Wing Tai Hdgs	3.82	3.78	3.80	3.82

*: in U.S. dollars.

Stockholm
SX 16 index: 3592.41 Previous: 3675.10

	High	Low	Close	Prev.
AGA B	111	109	111	109.50
ABB A	115.50	112	113.50	112
AssiDoman	245	237	237	240
Astra A	152.50	142	142	152.50
Atlas Copco A	252	241.50	250	247
Autoliv	294.50	288.50	290.50	295
Electrolux B	617	608	609	618
Ericsson B	371	358	364	371.50
Hennes B	335	310	325	329
Incentive A	705	690	699	690
Investor B	427.50	413.50	419	427
MoDo B	299	290	292	298
Nordbanken	277	271.50	276	277
Pharm/Upjohn	300	291	292.50	299
Sandvik B	258	253	256	255
Scania B	221	217	217.50	220
SCA B	193	186.50	189	186.50
S-E Banken A	96.50	93.50	94.50	96.50
Skandia Fors	335	323.50	331	328
Skanska B	345	341.50	345	344
SKF B	226	220	221	223
Sparbanken A	187	180	187	185
Stora A	139	136	137.50	138.50
Sv Handles A	274	263	269.50	269
Volvo B	228.50	224.50	225.50	229

Sydney
All Ordinaries: 2711.40 Previous: 2717.70

	High	Low	Close	Prev.
Amcor	8.50	8.30	8.46	8.37
ANZ Bking	10.50	10.37	10.40	10.48
BHP	17.45	16.95	16.99	17.44
Boral	4.15	4.09	4.10	4.17
Brambles Ind.	29.10	28.35	28.40	29.11
CBA	16.83	16.53	16.82	16.57
CC Amatil	16.20	15.80	16.14	16.18
Coles Myer	6.95	6.87	6.89	6.92
Comalco	7	6.87	7	6.89
CSR	5.25	5.16	5.20	5.27
Fosters Brew	2.68	2.65	2.67	2.67
Goodman Fld	2	1.98	2	2.01
ICI Australia	13.40	13.31	13.37	13.40
Lend Lease	30.20	29.79	30.05	29.90
MIM Hdgs	1.87	1.84	1.86	1.87
Nat Aust Bank	19.68	19.59	19.63	19.66
Nat Mutual Hdg	2.18	2.14	2.14	2.18
News Corp	6.09	6.02	6.07	6.06
Pacific Dunlop	3.62	3.58	3.60	3.61
Pioneer Intl	5.02	4.95	4.97	5.03
Pub Broadcast	8.40	8.18	8.25	8.40
Rio Tinto	21.34	20.90	21.30	20.85
St George Bank	8.84	8.70	8.80	8.73
WMC	7.67	7.49	7.49	7.65
Westpac Bking	8.63	8.52	8.58	8.55
Woodside Pet	11.40	11.20	11.22	11.45
Woolworths	4.44	4.31	4.44	4.34

Taipei
Stock Market Index: 9923.84 Previous: 9840.88

	High	Low	Close	Prev.
Cathay Life Ins	152	148	148	151
Chang Hwa Bk	118	115.50	115.50	116
Chiao Tung Bk	72	71.50	71.50	72
China Developmt	132	128	128	130
China Steel	30.80	30.30	30.30	30.20
First Bank	118.50	115	115	117
Formosa Plastic	65	64	64	64.50
Hua Nan Bk	127	122	122	125.50
Intl Comm Bk	57.50	56.50	56.50	63
Nan Ya Plastics	74	73	73	73
Shin Kong Life	105	101	101.50	105
Taiwan Semi	161	150	161	151
Tatung	47.50	47	47.10	47.10
Utd Micro Elec	138	131	138	134
Utd World Chin	64.50	64	64	63.50

Tokyo
Nikkei 225: 19604.46 Previous: 19475.85

	High	Low	Close	Prev.
Ajinomoto	1100	1040	1100	1060
All Nippon Air	711	701	710	706
Amway	3500	3460	3490	3490
Asahi Bank	872	855	872	865
Asahi Chem	616	591	596	597
Asahi Glass	1070	1030	1070	1040
Bk Tokyo Mitsu	2290	2250	2290	2280
Bk Yokohama	565	539	565	558
Bridgestone	2810	2740	2790	2840
Canon	3610	3530	3600	3600
Chubu Elec	2050	2010	2050	2020
Chugoku Elec	1980	1960	1980	1980
Dai Nipp Print	2770	2720	2730	2760
Daiei	843	818	825	851
Dai-Ichi Kang	1530	1480	1520	1500
Daiwa Bank	596	579	594	580
Daiwa House	1340	1330	1340	1330
Daiwa Sec	785	743	785	760
DDI	6980a	6770a	6950a	7770a
Denso	2790	2680	2780	2720
East Japan Ry	5500a	5290a	5450a	5250a
Eisai	2510	2430	2450	2500
Fanuc	5180	5050	5150	5300
Fuji Bank	1570	1520	1560	1520
Fuji Photo	4730	4650	4700	4730
Fujitsu	1660	1620	1650	1670
Hachijuni Bk	1120	1100	1120	1110
Hitachi	1320	1270	1320	1310
Honda Motor	3790	3670	3780	3680
IBJ	1750	1680	1730	1680
IHI	380	370	379	380
Itochu	525	515	520	525
Ito-Yokado	6770	6710	6760	6750
JAL	486	456	486	475
Japan Tobacco	9510a	9400a	9450a	9400a
Jusco	3400	3350	3400	3390
Kajima	560	540	560	560
Kansai Elec	2230	2200	2210	2240
Kao	1770	1730	1760	1780
Kawasaki Hvy	482	471	482	476
Kawa Steel	309	295	307	315
Kinki Nipp Ry	685	678	685	682
Kirin Brewery	1070	1040	1070	1050
Kobe Steel	180	172	175	175
Komatsu	815	780	811	798
Kubota	498	480	497	481
Kyocera	9430	9050	9100	9530
Kyushu Elec	1970	1950	1970	1980
LTCB	585	565	577	570
Marubeni	457	441	450	455
Marui	1970	1920	1950	1940
Matsu Comm	4760	4620	4670	4780
Matsu Elec Ind	2440	2420	2440	2440
Matsu Elec Wk	1390	1360	1380	1380
Mitsubishi	1280	1240	1260	1260
Mitsubishi Ch	295	290	295	297
Mitsubishi El	598	575	598	605
Mitsubishi Est	1630	1590	1620	1620
Mitsubishi Hvy	830	799	829	810
Mitsubishi Mat	643	631	640	636
Mitsubishi Tr	1740	1640	1740	1700
Mitsui	1100	1090	1100	1110
Mitsui Fudosan	1450	1420	1440	1430
Mitsui Trust	680	655	680	671
Murata Mfg	5620	5400	5530	5300
NEC	1610	1570	1580	1630
Nikko Sec	2430	2290	2410	2360
Nikon	607	592	599	617
Nintendo	11000	10800	11000	11200
Nipp Express	785	751	784	751
Nippon Oil	520	510	520	511
Nippon Steel	303	296	300	311
Nissan Motor	784	745	784	750
NKK	193	190	193	197
Nomura Sec	1730	1690	1730	1700
NTT	1220b	1170b	1220b	1180b
NTT Data	5140b	5090b	5140b	5160b
Oji Paper	620	590	620	610
Osaka Gas	283	277	280	280
Ricoh	1830	1780	1810	1850
Rohm	14400	14200	14200	14700
Sakura Bk	742	730	730	735
Sankyo	4350	4270	4350	4350
Sanwa Bank	1660	1620	1650	1640
Sanyo Elec	445	430	437	435
Secom	8650	8310	8370	8650
Seibu Rwy	5520	5410	5500	5520
Sekisui Chem	953	940	953	953
Sekisui House	1170	1150	1170	1160
Seven-Eleven	9200	9050	9200	9200
Sharp	1360	1300	1340	1380
Shikoku El Pwr	1960	1920	1940	1930
Shimizu	599	570	599	570
Shin-etsu Ch	3350	3210	3290	3210
Shiseido	2040	2010	2030	2030
Shizuoka Bk	1260	1240	1250	1270
Softbank	6200	6040	6100	6250
Sony	12000	11700	11900	12100
Sumitomo	1060	1030	1060	1050
Sumitomo Bk	1930	1870	1920	1870
Sumit Chem	447	437	447	452
Sumitomo Elec	1970	1940	1970	1950
Sumit Metal	280	274	280	276
Sumit Trust	1190	1100	1190	1100
Taisho Pharm	3110	2990	3000	3090
Takeda Chem	3600	3490	3590	3490
TDK	9840	9660	9840	9900
Tohoku El Pwr	1990	1960	1970	1960
Tokai Bank	1060	1030	1050	1040
Tokio Marine	1500	1450	1490	1440
Tokyo El Pwr	2270	2230	2270	2250
Tokyo Electron	7540	7270	7540	7370
Tokyo Gas	296	287	296	290
Tokyu Corp.	640	625	640	635
Tonen	1160	1120	1160	1150
Toppan Print	1890	1850	1890	1880
Toray Ind	792	770	792	780
Toshiba	721	710	721	723
Tostem	2520	2450	2520	2520
Toyo Trust	946	911	945	919
Toyota Motor	3310	3210	3310	3250
Yamanouchi	3000	2960	2990	3010

a: x 100; b: x 1,000

Toronto
TSE Industrials: 6878.47 Previous: 6945.07

	High	Low	Close	Prev.
Abitibi Cons.	26.95	26.30	26½	26.85
Alberta Energy	33.10	32.90	33	32.15
Alcan Alum	52.70	52.80	52.85	53.90
Anderson Expl	18.40	18.20	18.20	18.35
Bk Montreal	58.30	57¼	57.60	58.60
Bk Nova Scotia	66¼	65¼	65.90	67¼
Barrick Gold	33.20	31.70	33.15	31.65
BCE	42.20	41.40	41.60	42.70
BC Telecomm	35½	35	35½	35¼
Biochem Pharm	39	38.35	38.35	39.85
Bombardier B	33.20	33	33.15	33.30
Brascan A	35.80	35.55	35.70	35.95
Cameco	53.90	53.55	53¾	53.85
CIBC	39.95	38.90	38.90	40½
Cdn Natl Rail	69.45	68½	69.45	69½
Cdn Nat Res	37.60	37.20	37.30	37.55
Cdn Occid Pet	37.35	36.30	36.40	37¼
Cdn Pacific	40.60	40.20	40.35	41.10
Cominco	37.60	37.40	37½	37.55
Dofasco	30¼	30	30.10	30¼
Dorotar	12.20	12.05	12.10	12.20
Donohue A	33.85	33½	33¾	33¾
Du Pont Cda A	32½	32¼	32.45	32.55
Edper Group	23.85	23¼	23¼	23.95
EuroNev Mng	42¾	42.10	42.60	42½
Fairfax Finl	391	389	390	391
Falconbridge	29.60	28.90	29	29.90
Fletcher Chall A	24.40	23.90	24.10	24.35
Franco Nevada	62¾	61	62.30	62½
Gulf Cda Res	10.30	10.20	10.20	10.35
Imperial Oil	75.10	74¼	75.05	75
Inco	42.35	41.90	41.90	42.40
IPL Energy	52½	52	52.05	52½
Laidlaw B	22.05	21.65	21.80	22.15
Loewen Group	47¼	46½	46¾	47.40
Macmill Bld	19.40	19.05	19.10	19.30
Magna Intl A	89½	88.20	88½	89.70
Methanex	12.95	12.80	12.90	12.90
Moore	30.80	29.90	29.95	30.95
Newbridge Net	66	63.85	63.85	64.65
Noranda Inc	30.10	29¾	29.80	30
Norcen Energy	33.60	33.40	33.40	33.70
Nthern Telecom	143.60	142.90	142.90	144¼
Nova	12.20	12.10	12.10	12.20
Onex	32¼	32	32	32.45
Pancdn Petlm	27.05	26.80	26.80	27.05
Petro Cda	26.65	26.35	26.45	26.70
Placer Dome	25.60	24	25.40	23.95
Poco Petlm	13.90	13.65	13.70	13.70
Potash Sask	104¾	104	104.40	105.35
Renaissance	37.85	36.90	37.10	37.20
Rio Algom	35.60	34½	34½	35.10
Rogers Cantel B	30	29¾	29.35	30
Seagram Co	51¾	50	50¼	52.35
Shell Cda A	24.15	23¾	23.90	24.20
Suncor	46	44.05	44.55	45.95
Talisman Eny	45	44.30	44¾	44.70
Teck B	28½	27.35	28½	27.45
Teleglobe	51½	50.80	50.90	51½
Telus	27.15	26.90	27	27¼
Thomson	35.95	34¾	35	35.95
TorDom Bank	43.85	43¼	43.30	44.20
Transalta	17.55	17.35	17.35	17.60
TransCda Pipe	27½	27.30	27.45	27.55
Trimark Finl	69¼	69	69	69.65
Trizec Hahn	33.20	32¼	32¼	33¼
TVX Gold	7	6¾	7	6.20
Westcoast Eny	27¼	27	27	27.30
Weston	99	98	99	99.35

Vienna
ATX Index: 1432.67 Previous: 1465.00

	High	Low	Close	Prev.
Boehler-Uddeh	1045	1020	1027	1025
Creditanst Pfd	598	575	590	600
EA-Generali	3285	3194.30	3194.30	3290
EVN	1630	1599.05	1610	1630
Flughafen Wien	537	520	521.50	540.35
OMV	1837.90	1818	1819	1840
Oest Elektriz	879	874.70	875.60	880
VA Stahl	618	571.50	578	618.55
VA Tech	2592	2490	2490	2600
Wienerberg Bau	2754	2690	2691	2742

Wellington
NZSE-40 Index: 2530.45 Previous: 2539.74

	High	Low	Close	Prev.
Air N Zeald B	4.64	4.60	4.64	4.60
Brierly Invt	1.40	1.38	1.38	1.39
Carter Holt ord	3.65	3.62	3.63	3.70
Fletch Ch Bldg	4.41	4.40	4.41	4.40
Fletch Ch Eny	5.55	5.43	5.53	5.45
Fletch Ch Forst	1.96	1.95	1.96	1.96
Fletch Ch Paper	3.45	3.42	3.43	3.45
Lion Nathan	4.04	4.02	4.02	4.05
Telecom NZ	7.67	7.60	7.66	7.63
Wilson Horton	11.90	11.85	11.90	11.85

Zurich
SPI index: 3738.00 Previous: 3768.27

	High	Low	Close	Prev.
ABB B	2320	2260	2301	2266
Adecco B	584	575	579	574
Alusuisse R	1448	1412	1421	1441
Ares-Serono B	2590	2530	2560	2580
Atel R	870	870	870	870
Baer Hdg B	2285	2250	2250	2260
Baloise Hdg R	3725	3670	3710	3700
BK Vision	1245	1230	1237	1247
Ciba Spec Chem	143.25	139	142.50	143
Clariant R	1094	1055	1074	1091
Crd Suisse Gp R	208.50	204.75	208.50	207.50
Elektrowatt B	538	536	537	536
Ems-Chemie	6855	6790	6830	6850
ESEC Hdg	4850	4800	4800	4840
Holderbank B	1414	1382	1392	1411
Liechtenst LB B	595	593	593	597
Nestle R	1973	1930	1953	1974
Novartis R	2401	2320	2342	2392
Oerlikon Buehr R	146.75	141	146.25	146.50
Pargesa Hld B	1975	1950	1950	1995
PharmVisn B	986	973	983	984
Richemont A	2254	2210	2210	2225
Pirelli PC	349	338	347	350.50
Roche Hdg PC	14720	14315	14520	14650
SBC R	417	408	412	416.50
Schindler PC	1980	1905	1920	2000
SGS B	3100	3025	3025	3080
SMH B	925	898	905	915
Sulzer R	1218	1177	1185	1185
Swiss Reins R	2220	2171	2186	2197
Swissair R	1995	1962	1970	1987
UBS B	1661	1645	1647	1660
Winterthur R	1527	1495	1515	1507
Zurich Assur R	624	613	614	613

The Trib Index

Prices as of 3:00 P.M. New York time.

Jan. 1, 1992 = 100.

	Level	Change	% change	year to date % change
World Index	179.42	-0.77	-0.43	+20.30
Regional Indexes				
Asia/Pacific	134.27	+3.38	+2.58	+8.78
Europe	188.72	-1.37	-0.72	+17.07
N. America	209.17	-3.35	-1.58	+29.19
S. America	172.68	-2.73	-1.56	+50.90
Industrial Indexes				
Capital goods	232.06	-1.12	-0.48	+35.77
Consumer goods	194.79	-1.49	-0.76	+20.67
Energy	198.51	-4.66	-2.29	+16.28
Finance	137.51	+1.42	+1.04	+18.07
Miscellaneous	192.04	-4.09	-2.09	+18.70
Raw Materials	194.18	-1.62	-0.83	+10.72
Service	169.77	-0.45	-0.26	+23.63
Utilities	169.61	-0.81	-0.48	+18.23

The International Herald Tribune World Stock Index © tracks the U.S. dollar values of 280 internationally investable stocks from 25 countries. For more information, a free booklet is available by writing to The Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France.

Compiled by Bloomberg News.

NASDAQ

Friday's 4 P.M.

The 1,000 most-traded National Market securities in terms of dollar value, updated twice a year.
The Associated Press.

NYSE

Friday's 4 P.M. Close

(Continued)

ASIA/PACIFIC

Bangkok Unveils Plan For Deposit Insurance To Stem Withdrawals

Compiled by Our Staff From Dispatches

BANGKOK — The Bank of Thailand unveiled a state-run deposit insurance program Friday as it tried to calm market jitters over the stability of commercial banks and finance companies after having suspended 58 cash-strapped finance companies since late June.

Siri Garnjaerndee, the assistant central bank governor, said the central bank also had asked Thai and foreign banks as well as other finance companies, to lend surplus funds to institutions facing public runs on their deposits.

Mr. Siri's statement was designed to stop the heavy withdrawals of funds that some small Thai banks and finance firms had seen over the previous two days after the central bank told 42 finance companies to stop operating for at least three months.

"The measures are adopted to protect sound financial institutions from the lack of public confidence," he said. "No institutions can survive if they are hit by public runs."

Investors have been skeptical about the government's assurances since Tuesday that no additional financial institutions would be closed by the authorities. Thailand's 91 finance companies have faced severe liquidity problems arising from nonperforming loans extended to a collapsed property sector.

Mr. Siri said the deposit insurance program, which he hoped would be necessary for only about two years, was in line with the policies of the International Monetary Fund.

Thailand on Tuesday announced an IMF-sponsored austerity package to shore up its economy, which is growing at its slowest rate in more than a decade.

Separately, an official said Finance Minister Thanong Bidaya would seek to negotiate a $15 billion emergency aid package from the IMF, Japanese banks and other regional banks in talks in Tokyo next week.

"We will go to Japan to negotiate a loan for $15 billion," the deputy finance minister, Chaturon Chaisaeng, said. "If we succeed in securing the loan, it will help boost our foreign exchange reserves and return the economy to normal."

Mr. Siri said the deposit insurance program would guarantee bank deposits up to a maximum of three percentage points above the average three-month fixed deposit rate of five top Thai banks. For funds deposited at finance companies, it would cover funds earning as much as six percentage points above the average three-month fixed rate.

(Reuters, Bridge News)

Hubris Lays Low Tourism Industry In Hong Kong

Reuters

HONG KONG — The tourism industry here shot itself in the foot in June and July by raising prices and creating the impression that the city was fully booked for the territory's lavish handover celebrations, tourism officials said Friday.

As a result, fewer people came, and the industry suffered a punishing blow during the two months as tourism — Hong Kong's biggest foreign currency earner — plummeted.

Analysts said the industry has only itself to blame.

Months or years before Britain handed Hong Kong back to China on July 1, travel agents and hotels had boasted so much about the tide of guests that real visitors stayed away, they said.

"Everyone in the tourism industry, everyone, assumed it would be booming this summer," said Howard Young, representative of the travel industry in the Hong Kong legislature.

But room occupancy plunged in June to 70 percent, from 87 percent a year earlier and 88 percent for 1988 as a whole. July figures are not yet available, but a hotel industry official said room occupancy was around a paltry 60 percent. And visitor arrivals plunged 14 percent in June from a year earlier.

Fuji TV Is a Star in Its Debut

Broadcaster's Shares Leap 20% in First Day of Trading

Compiled by Our Staff From Dispatches

TOKYO — Shares in Fuji Television Network Inc. rose 20 percent in their trading debut Friday, making for a successful offering in what has been a stagnant stock market.

Fuji's stock rose to 660,000 yen ($5,560) from the offering price of 550,000. It helped the Nikkei 225-stock average rise 128.61 points, to 19,604.46.

"It's attracting a lot of interest from individual investors because Fuji TV has broad name recognition in Japan and a solid earnings track record," said Masaru Yamano, head of the equity department at Taiheiyo Securities Co.

Fuji TV is popular with young viewers and has been investing in new broadcasting outlets such as satellite television.

But there had been concern about the issue because of recent government actions against brokerage houses for payoffs to alleged racketeers.

Yamaichi Securities Co., the lead manager of the Fuji offering, was raided recently on suspicion of having made illegal stock deals with a corporate racketeer. This led to worries that Yamaichi might not be able to advertise the new issue aggressively.

Adding to the worries, Japan's biggest brokerage concern, Nomura Securities Co., has been temporarily barred from the market as part of a government-mandated punishment for deals with the same racketeer.

In addition, with the Nikkei trading below its level of a year ago, there had been fears about the Fuji issue and the negative effects that weak demand for it would have had on another big issue, Central Japan Railways Co., which is expected in October.

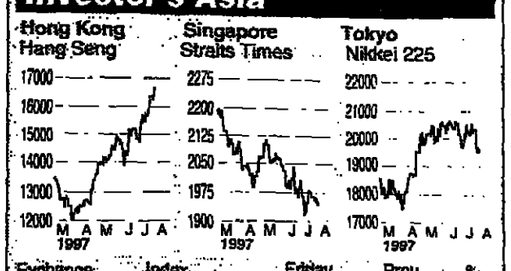
One reason for the brisk demand for Fuji's shares may have been Japan's 20 percent ownership limit for foreign investors in broadcasting companies. Foreigners already own 17.1 percent of Nippon Television Network Corp. and 18.7 percent of Tokyo Broadcasting System, the two other listed Japanese broadcasters.

Hisashi Hieda, Fuji's president, said that of the 113 billion yen raised in the offering, 90 billion yen would be used to repay loans. The rest would be used to produce programs, and, he said, "We must also think of share splits and dividend increases for our shareholders."

Mr. Hieda also said Walt Disney Co. and Time Warner Inc. might join Japan Sky Broadcasting Co., a satellite-television venture backed by Sony Corp., News Corp. and Fuji Television, which is to begin broadcasting in April.

(Bloomberg, Reuters, AFP)

Investor's Asia



Exchange	Index	Friday Close	Prev. Close	% Change
Hong Kong	Hang Seng	16,647.54	16,673.27	-0.15
Singapore	Straits Times	1,943.92	1,953.24	-0.48
Sydney	All Ordinaries	2,711.40	2,717.70	-0.23
Tokyo	Nikkei 225	19,604.46	19,475.85	+0.66
Kuala Lumpur	Composite	932.36	928.33	+0.43
Bangkok	SET	636.85	638.04	-0.19
Seoul	Composite Index	752.01	745.95	+0.89
Taipei	Stock Market Index	9,923.84	9,840.88	+0.84
Manila	PSE	2,647.82	2,670.01	-0.83
Jakarta	Composite Index	675.44	677.94	-0.37
Wellington	NZSE-40	2,538.45	2,539.74	-0.05
Bombay	Sensitive Index	4,397.54	4,447.06	-1.11

Source: Telekurs — International Herald Tribune

Australian Smokers Hold Breath

Compiled by Our Staff From Dispatches

SYDNEY— Australians braced themselves Friday for overpriced beer and a cigarette shortage over the weekend because of a federal High Court decision that has thrown the country's tax system into chaos.

The court ruled Tuesday that the states had no power to collect excise fees on cigarettes, a decision that will apply also to alcohol and fuel and will cost the states about 5 billion Australian dollars ($3.69 billion) in revenue.

The Australian government agreed Wednesday to replace state-imposed excise fees with a national 15 percent tax on beer and a higher levy on tobacco.

In theory, the government would collect the taxes and pass the revenue along to the states. Each of the six states — which have different tax levels — would have to return excess funds to wholesalers to keep tax revenue at current levels.

Industry groups, however, say no arrangements have been put in place to return the difference between the new tax and the old state-based fees.

Meanwhile, two of Australia's three main cigarette makers, Philip Morris Cos.' Australian unit and W.D. & H.O. Wills, have suspended sales to wholesalers and retailers.

The tobacco industry says the change to a tax based on weight rather than on price will lead to the collection of about 500 million dollars in extra taxes. It is also concerned that some states will use higher tobacco taxes as a way to allow lower prices on other products.

Major brewers have passed on the 15 percent tax rise to retailers, although retailers have yet to pass on the price rise to consumers. State premiers warned the brewers against using the change in tax arrangements for profiteering.

"We repudiate any suggestion from the industry that they've got a reason to jack up their prices," Bob Carr, premier of New South Wales, said. "According to all the advice we've got, there is no reason for beer drinkers to be paying more. I don't want to see that the drinkers are ripped off during the process."

In New South Wales, the industry is indignant that the government has indicated that it will not refund about 150 million dollars in state licensing fees that were prepaid for the coming five months.

"As of yesterday morning, liquor stores in this state are paying an extra 15 percent sales tax on goods that are being delivered to them, which means they are being double-taxed," Mal Higgs of the New South Wales Liquor Stores Association said. *(AFP, Reuters)*

Singapore Posts Growth of 7.8%

Agence France-Presse

SINGAPORE — The economy expanded by 7.8 percent in the second quarter from a year earlier amid a recovery in the manufacturing sector, Prime Minister Goh Chok Tong said Friday.

He said the government had revised its full-year growth forecast to between 6 percent and 7 percent from between 5 percent and 7 percent.

Very briefly:

- **India** plans to raise $1.3 billion in the year ending in March 1998. Finance Minister Palaniappan Chidambaram said, by partly privatizing four companies: **Mahanagar Telephone Nigam Ltd., Indian Oil Corp., Gas Authority of India Ltd.** and **Container Corp. of India.**
- **India's** Department of Telecommunications said it would disconnect **Reuters India Ltd.** from lines that feed real-time prices from the National Stock Exchange, citing a departmental rule against allowing the linking of two private networks.
- **Pilipino Telephone Corp.**, the Philippines' second-largest cellular-phone company, said its second-quarter profit dropped 53 percent, to 112.4 million pesos ($3.94 million) from 241 million pesos a year earlier.
- **Toyota Motor Corp.** hopes to market driverless buses for the public, using an array of sensors placed on highways and a vehicle equipped with sensors to ensure it stays in its lane.
- **Japan's Finance Ministry** said foreign buying of Japanese securities plunged to 1.322 trillion yen ($11.16 billion) in June from 3.191 trillion yen in May, while net purchases of foreign securities by Japanese buyers fell to 1.994 trillion yen from 3.042 trillion yen.
- **Thai Interior Ministry** officials threatened to punish people it said were spreading rumors that the prime minister would resign in response to a worsening economic crisis.
- **Oversea-Chinese Banking Corp.**, one of Singapore's four largest banks, posted an 11.3 percent gain in first-half profit, to 339.1 million Singapore dollars ($230 million) from 304.6 million dollars a year earlier.
- **China's** State Statistics Bureau said value-added industrial output in July rose 8.4 percent from a year earlier, to 162.5 billion yuan ($19.5 billion); it was the smallest rate of increase in more than three years. *Bloomberg, Reuters, AP, AFP*

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Herald INTERNATIONAL Tribune

THE MONEY REPORT

SATURDAY-SUNDAY, AUGUST 9-10, 1997
PAGE 15

MONDAY: SPORTS

Real Estate in Japan: At Last, Time to Buy?

Brokers Now See an End to Falling Prices

By Miki Tanikawa

JAPANESE property prices remain sky-high by international standards, but there is something about them having slithered down to their lowest levels in years that excites people like Kazuhiro Ito, senior manager of real estate research at Nippon Credit Bank.

"Now is the time to buy," Mr. Ito said. "Like securities, the best timing to buy in is when the market is on a downward trend. And we are just about to enter into a phase for uptrend buying."

In what was seen by some observers as a bottomless pit, Japanese real estate prices have made a long, continuous journey downwards since the asset-inflated bubble economy popped in the early 1990s, causing residential and commercial properties to shed as much as 90 percent of their original value.

Residential prices in major cities remained flat in the three months to June, while commercial prices declined from the previous quarter, according to official surveys released this week.

The National Land Agency said residential property prices in the Tokyo area fell 0.7 percent from the March quarter. Those in the Osaka area were down 0.3 percent while residential property prices around Nagoya dropped 0.2 percent.

The government-affiliated Real Estate Research Institute said commercial real estate prices in Tokyo and three surrounding prefectures fell 2.5 percent in the second quarter from the previous three-month period, the 22d straight quarterly decline.

"In the large city areas, residential property prices remained flat in 85 percent of places surveyed while commercial property prices declined slightly in about 80 percent of areas," an official said.

A rise in the consumption tax on April 1 did not have any impact on property prices, although "demand for property such as apartments declined because of the impact of the consumption tax hike," the official said.

Residential property prices were likely to keep moving sideways with sustained increases in purchases of property for redevelopment, he said.

As for commercial property prices, the official said the declines would continue to decrease, reflecting slowing declines in office rentals.

But just as the ever-rising asset game came to an end, so will the falling land prices — or so Mr. Ito and other specialists believe.

They said the current market was characterized by a happy convergence of strategic interests between buyers and sellers.

After years of restructuring efforts that have failed to bear fruit, real estate companies and land-owners — struggling under massive debts incurred during days of mad expansion — must now give up part of their portfolios to generate cash to pay off their obligations.

Meanwhile, companies with healthier balance sheets, as well as small organizations that were unable to buy top properties while the bubble was growing (and thus were spared when it burst), are now eager to purchase top Tokyo locations.

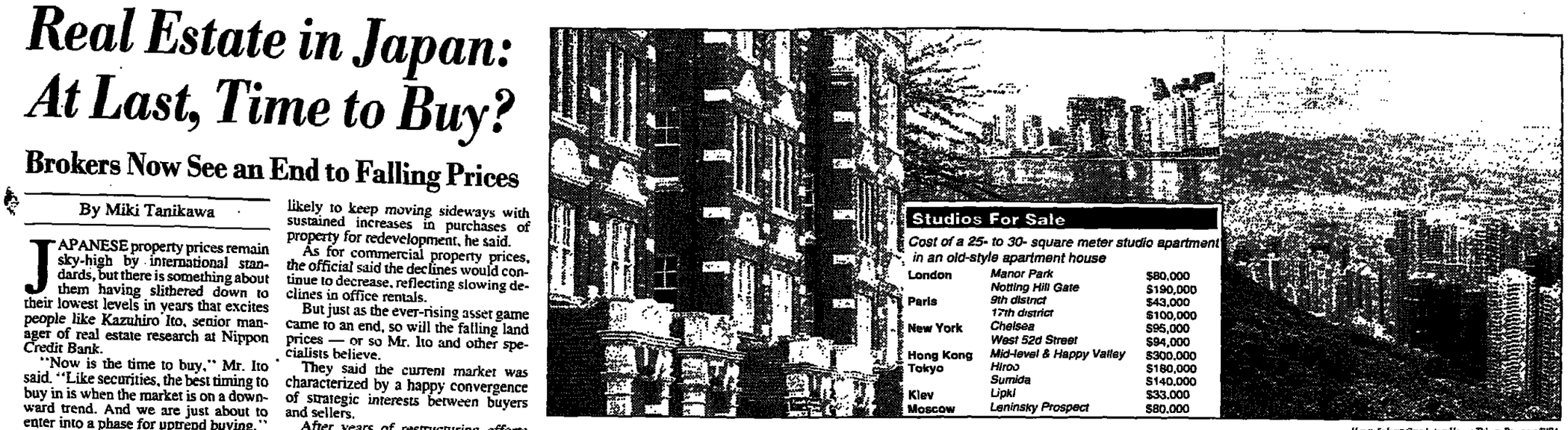
"Those companies whose balance sheets are badly damaged cannot go on the offensive; rather, they must sell," Mr. Ito said. "Meanwhile, those firms that did not take part in the bubble economy are ideally placed to hunt for properties."

Among the potential buyers, for the first time in recent memory, are foreigners. In the past, overseas businesses had little access to Japan's clubby real estate market, where the best deals are often closed without any public notice.

"At a time when buyers were available at home, sellers didn't bother to deal with foreigners," said Yasuo Kawakami, representative director at realtors Richard Ellis K.K. But as domestic real-estate investors lost credibility and large-scale lending for property investment became unpopular, sellers "nowadays are counting on foreigners," he said.

Real estate agents said many Western institutional investors were actively

Continued on Page 17



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Good addresses the world over, left to right: London's Kensington district, midtown Manhattan, and the Happy Valley area of Hong Kong.

Possessing Your Small Piece of the Big City

By Barbara Wall

The market for studio apartments in the world's financial centers is expected to expand rapidly over the coming decade. There traditionally has been demand in these cities for one-room apartments, both from young people starting out and from established executives seeking a pied-a-terre near work.

Add to this the demand for corporate apartments, and you have the makings of an investment market. But all studios are not created equal, and specific conditions apply in each city. Here are some tips for prospective buyers in key financial capitals.

Hong Kong

With prices for a one-bedroom apartment on Hong Kong Island starting at around $400,000, it is not surprising that many young Hong Kong Chinese opt to buy property overseas in order to get their feet on the real-estate ladder.

"Those who do buy property in Hong Kong tend to see it as a commodity to be traded," a spokesman for the Hong Kong office of Chartered Surveyors Knight Frank International said. The Chinese favor new property because it is easier to secure a mortgage on: Lenders will advance up to 80 percent of the purchase price on newly built property, compared to just 50 percent on old-style houses and apartments.

Hong Kong follows much the same principle for real-estate values as other cities built on a hill: The higher you go, the more expensive the property. The areas considered desirable by expatriates as well as natives are Mid-level, South Side and Happy Valley, according to one local real-estate agent.

The average cost of a studio apartment in Happy Valley and Mid-level is $300,000. Agents say it is unlikely to find a unit smaller than 100 square meters (about 110 square feet) in South Side, as this is where families tend to reside. The price of the property will include the right to use any facilities the building has to offer, such as swimming pool, tennis court or parking.

The buying process in Hong Kong is relatively straightforward, and associated costs are low by European standards. Expect to pay an additional 2 percent of the asking price to cover stamp duty, attorney's fees and land searches.

Kiev and Moscow

Reasonable prices and high rental rates are two reasons why expatriates and speculators might decide to buy real estate in the former Soviet Union.

Philip Hudson, a senior manager with Jones Estate, a company that specializes in property investment in Central and Eastern Europe, said that the purchase price of a residential dwelling in certain parts of Russia and Ukraine is typically three to four times the annual rent.

A studio measuring 30 square meters in a prestigious area of Kiev, such as Lipki or the expatriate enclave of Staronavodinitska, can be bought for $18,000. An additional $15,000 probably would be needed to bring it up to Western standards of comfort.

According to Mr. Hudson, the property market in Kiev lags behind that of Moscow by about three years. Prices for studio accommodation in central Moscow start at around $25,000 for 15 square meters in an old-style apartment building. Old property is half the price of new.

Bargain Real Estate

Those who want to purchase property in Moscow are generally advised to stick to the prestigious Garden Ring, any area located within a five minute walk of the Kremlin, or the Leninsky Prospect, which runs in a southwesterly direction from the outer tip of the Ring.

A large, one-bedroom apartment on Leninsky Prospect, which has been compared to the Fulham Road in London, would cost around $80,000.

London

It is still possible to buy a modest studio in a run-down area of London for as little as £40,000 ($65,000), but buying at the bottom end of the price spectrum is not always advisable. As Nia Williams, the editor of "What Mortgage," a London-based consumer magazine, pointed out:

"The price differential between inexpensive studio apartments and one-bedroom flats is surprisingly slight. The determined buyer can find a good-sized, one-bedroom flat in Manor Park, an established if somewhat down-at-heels area of North London, for around £50,000. If you are buying a low-end investment property, it makes sense to pay the extra for a one- or two-bedroom apartment as this type of dwelling will generally command a higher rental rate and be easier to sell."

In the more salubrious areas of London, such as Kensington and Islington, the market for studios is booming. Percy Lawson-Johnston, a spokesman for the South Kensington branch of Foxtons, a chain of London-based real estate agencies, said studios in Notting Hill Gate and Fulham were being snapped up within hours of coming on the market, and many reportedly are fetching more than the asking price.

"A medium-sized studio in London would typically comprise 30 square meters of living space with a separate galley kitchen and bathroom. The prestigious studios are to be found in elegant white stucco Victorian and Georgian apartment blocks," Mr. Lawson-Johnston said.

A studio in Notting Hill Gate bought for £75,000 two years ago would now sell for around £120,000, while a one-bedroom apartment in the area would command around £160,000. Annual rental rates are currently in the region of 10 percent of the purchase value.

New York

Those who are buying a studio in Manhattan for investment purposes would generally be advised to buy space in a condominium building rather than join a cooperative. By joining a cooperative you are buying shares in the building rather than buying your own private space, so it is difficult to sublease. There are no such restrictions with condominiums, but they will probably be more expensive.

Gregory Green, a commercial real estate consultant with Equis Corp. in New York, said the most prestigious areas for Manhattan property are the Upper East Side and Upper West Side, where condominiums measuring around 325 square feet typically fetch between $150,000 and $200,000. For a similar-size studio in a cooperative the purchase price is between $125,000 and $150,000. Annual rental rates would be in the region of 10 percent of the purchase price.

Jean Miesel, an executive with Brown, Harris and Stevens Residential Sales LLC, said that $95,000 would buy about 430 square feet in a cooperative building without a doorman in Chelsea — specifically, on West 15th Street between 7th and 8th avenues — while $94,000 would buy a slightly larger studio in a doormanned cooperative on West 52d Street.

Whether you buy a condominium or a cooperative, there will be a monthly maintenance charge of between $400 and $800, depending on the status of the neighborhood and building and the facilities. With cooperatives the monthly charge is split into two: a common charge to cover general running expenses and a real estate tax.

Mr. Green said that one of the up-and-coming areas in Manhattan was Chelsea, just north of Greenwich Village — "the funky part of Manhattan where the professionals from Wall Street like to hang out," he said. As was the case in Greenwich Village and SoHo, the artists and musicians that gave Chelsea its trendy image are being gradually squeezed out by buyers and renters with bigger bank accounts.

If you are feeling adventurous, Ms. Miesel suggests a trip to the area known as Hell's Kitchen or, more recently, Clinton. This patch just west of Times Square has gentrified in recent months and "the demand for real estate here far outstrips the supply," she said.

Paris

The price of a studio apartment in Paris starts at around 300,000 francs ($43,000) for a run-down garret in the transitional 9th arrondissement, one of the 20 districts in the city, and rises to a cool 3 million francs for a penthouse studio with a view of the Eiffel Tower in the prestigious 16th.

According to Frank Rutherford, director of Rutherfords & Co., a London-based company that markets and sells properties throughout France, the average price paid for a studio in Paris is around 600,000 francs. Mr. Rutherford said this sum would buy 40 square meters of real estate in the 17th arrondissement, which he described as a compromise between the inexpensive 9th and the high-cost 16th.

A typical low-end studio is usually located on the third or fourth (or higher) floor of an old-style apartment building and not accessible by elevator — assuming the building has one. If you want something more modern, with elevator and parking space, it will be at least 50 percent more expensive, agents said.

People tend to buy property in Paris for the pleasure of owning a piece of the city, rather than for investment: Rental yields are around 4 percent, low in comparison to other major cities.

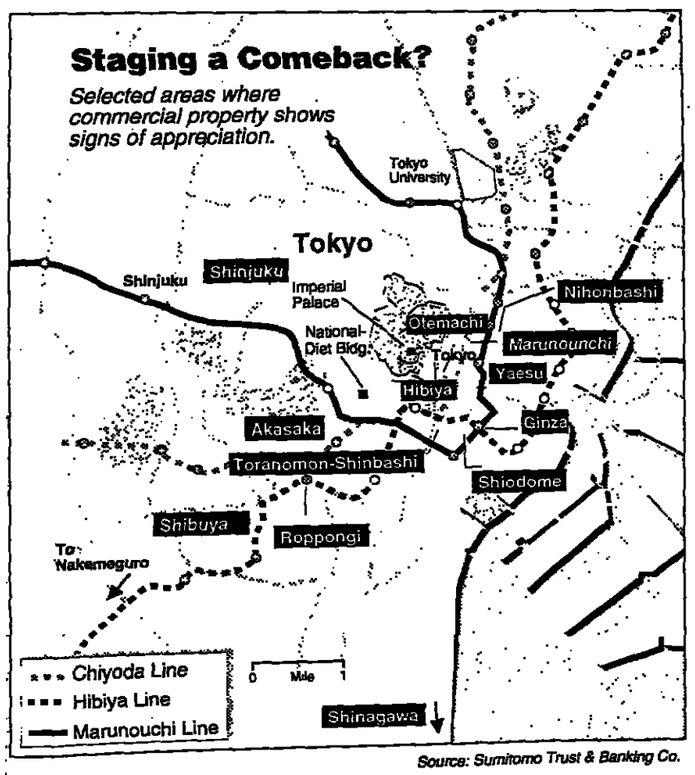
If you do want to buy a pied-a-terre in Paris, the up-and-coming areas reportedly are the 4th and 15th arrondissements. However, before committing your francs, bear in mind that purchase fees can amount to around 10 percent of the asking price once the 7 percent stamp duty is added.

Tokyo

Although real estate values in Tokyo have fallen in recent years, the price of studio apartments in the city is still expensive.

A modern studio apartment in Hiroo or Harajuku, which a spokesman for Knight Frank & Rutley termed "as central as one can get," would probably fetch around $180,000. Yoyogi, which is about a 10-minute drive from the city center, is another popular area with expatriates and local businessman. Studios here are priced at around $154,000. The area of the city that lies to the east has deteriorated in the past decade, but this has had only a marginal effect on real estate values, agents said. A medium-sized studio in Sumida, which is about a 20 minute drive east of the city center, recently fetched $140,000.

Most buyers in Tokyo are attracted by the rental rates, which average around 11 percent a year, and the tax credits given for real estate investments.



Source: Sumitomo Trust & Banking Co.

Thinking About Cashing In? Think Again, and Beware the Taxman

JAMES GLASSMAN ON INVESTING

NOW THAT world stocks are hitting record highs, you may be thinking about cashing in some of your hard-earned stock-market profits.

Not so fast. In the first place, selling stock — no matter how high you think the market is — is almost always a bad idea. In the long run stocks rise an average of 10 percent a year, and in the short run no one can guess what they will do.

Yes, valuations are high right now, but they were high in December when Alan Greenspan, chairman of the U.S. Federal Reserve Board, gave his "irrational exuberance" speech. Since then, General Electric Co. has gone from $49 a share to $69, Citicorp from $103 to $137.

In the second place, no matter where you live, the taxman is bound to take a hefty bite out of your gains. Although President Bill Clinton just signed a capital-gains tax cut into law, the rate reduction is modest: from 28 percent to 20 percent for married couples making $42,000 or more. Say you bought IBM stock for $10,000 in 1994; it's worth $40,000 today. Sell it, and you'll still have to pay about $8,000 in taxes (federal plus typical state). That's less than the $10,500 in taxes you would have paid before the budget deal, but it's still a lot.

Still, I have sympathy for investors who want to dampen the risk in their portfolios. And sometimes it does make good sense to move your money. But where?

Here's a brief travel guide to safe havens:

• **Balanced funds.** These are mutual funds that own both stocks and bonds plus, usually, a little cash. Such funds produce lower returns than an all-stock fund, but with less risk.

For example, over the past five years, the average balanced fund has returned 12.2 percent annually, according to the Value Line Mutual Fund Survey, while the average growth-stock fund has returned 13.1 percent. But balanced funds have risk ratings that are one-third to one-half lower than stock funds.

In other words, they don't bounce around much, which can be reassuring when things go bad. During the last bear market, in 1990, the Standard & Poor's 500-stock index dropped 14.7 percent, but balanced funds fell only 7.9 percent, Value Line says.

"A good balanced fund will keep the ratio of stocks to bonds fairly constant over the years, and it won't try to time the stock market or interest rates," writes Robert C. Carlson, who chairs the Fairfax County Supplemental Retirement system, in the new issue of his Retirement Watch newsletter. Most balanced funds have between 50 percent and 60 percent of their assets in stocks.

Mr. Carlson's favorite balanced funds are Vanguard Wellesley Income, with extremely low risk and expenses of only 0.3 percent annually; Vanguard Wellington, which has returned 15.7 percent a year on average since 1992; and Dodge & Cox Balanced, which I bought long ago for my children.

Value Line's highest-rated balanced funds are Westwood Balanced Retail and Founders Balanced, which the research firm calls "a fine choice for conservative investors." Both Westwood and Founders, however, have a record of high turnover: They trade their stocks and bonds frequently, thus generating taxable capital gains to go along with taxable dividends.

The way around this is to hold funds like Westwood and Founders in a tax-deferred account. Dodge & Cox Balanced and the two Vanguard funds have far lower turnover, keeping each stock and bond for an average of three to five years, so they're safer for tax-minded investors.

• **Gold stocks.** How low can the price of gold go? It was recently just $318 an ounce, a 12-year record, down an incredible 25 percent since 1990.

Gold has long been considered the ultimate safe haven since it is supposed to be a constant store of value in a world in which governments have an incentive to dilute their currencies. Unfortunately, gold — and gold stocks — have had a terrible time in the past decade. Precious metals mutual funds, for instance, have fallen an average of 1.9 percent annually since 1987, and 24 percent in the past 12 months.

But gold is so low that it may be reaching a bottom. At any rate, unlike high-flying stocks, gold doesn't have far to fall.

There are still some courageous gold bulls out there, including Adrian Day, who edits the Investment Analyst newsletter. He recently reminded readers that sentiment on gold has gone to extreme negative levels. "This is a good time to buy gold bullion and bullion-type coins as a longer-term investment," he wrote. "It's also a great time to accumulate the best of the gold stocks."

Topping the list is Barrick Gold Corp., generally considered the best-managed gold-mining and producing company, with 11 sites in North and South America. The stock has fallen more than 25 percent since December.

Charles Allmon, a notorious bear who has been an uncanny stock picker for more than 20 years, says that Franco-Nevada Mining Corp. and its companion company, Euro-Nevada Mining Ltd., "are the only two gold shares in my managed accounts." They also comprise two of only six stocks in the model portfolio of his newsletter, Growth Stock Outlook.

Franco-Nevada, which, like its sister, trades on the Toronto Stock Exchange, has increased revenues and profits for 11 straight years despite the declining price of gold. In late June, management predicted that cash flow would rise 400 percent by 2002.

With inflation apparently under control, gold may seem an odd place to stash your money. But the key word is "apparently." At these prices, high-quality gold stocks could be safe havens: Freeport-McMoRan Copper & Gold Inc., Placer Dome Inc., Newmont Mining Corp. and Homestake Mining Co.

• **Other safe havens.** Consider the new inflation-indexed U.S. Treasury securities, whose returns are adjusted as consumer prices rise.

Check out stocks that pay high dividend yields, which often indicate good value (and their quarterly payouts provide a dependable return in case prices fall).

Also, look at international markets that have suffered lately. For example, Singapore, Thailand, the Philippines and Malaysia have had declines averaging 20 percent for the first half of the year. Closed-end funds, trading like individual stocks on the New York exchange, specialize in each of these countries.

Finally, search for stock funds that are low on volatility. The best way is through the Value Line service or Morningstar Mutual Funds, available at many libraries. Morningstar, for example, shows that over the past three years the riskiness of one particular fund is 33 percent below average. Its name? The Haven Fund.

Washington Post Service

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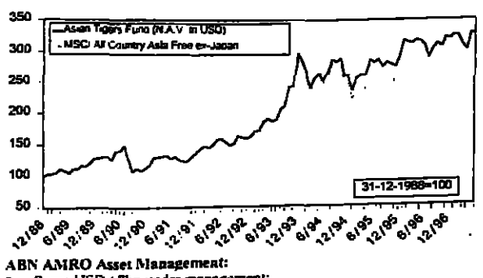

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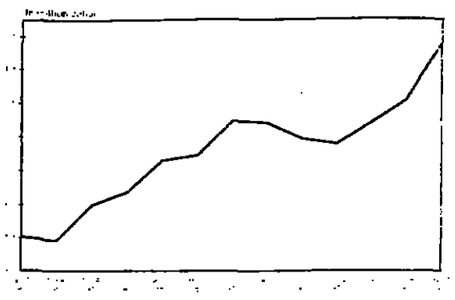

Woodrow Partners, Ltd. started trading August 1st 1996 and is founded on the long and successful experience of the investment manager Mr Manu Daftary. For nearly fifteen years Mr Daftary has been responsible for sizeable US equity portfolios oriented toward growth and capital appreciation.
The Fund seeks consistent and superior capital appreciation through a portfolio of long and short positions in the publicly traded US equity markets. Individual investments are made on the basis of fundamental analysis with close attention to earnings. Carefully selected short positions are initiated to constrain the overall risk of the portfolio.
Since its inception the Fund appreciated over 97%.
The Fund is quoted in US dollars and opens for subscription and redemption at the end of each month.
Further information can be obtained from the Administrator.
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3

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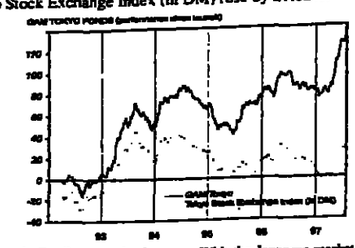

The key to the Fund's success has been a highly selective approach to stock picking. The manager has avoided poorly performing sectors (i.e. the banks), has hedged the yen during periods of currency weakness and has recently concentrated on companies which have been benefiting from yen weakness and deregulation.
With the Japanese market down more than 30% from its peak in 1989 and many Japanese shares now attractively valued, we believe that GAM Tokyo offers excellent prospects for investors over the medium term, enhanced by a broadening economic recovery. Selectivity will, however, continue to be the key to success.

For full information on GAM Tokyo, please contact the GAM Client Services department on 0800 919 927 (UK callers only) or +44 1624 632 777 (International callers). Alternatively, find us on the Internet at: www.oldcliffe.gam.com for full details of our funds for European and UK investors.

GAM

* Source: Micropal, (% change, bid-bid, DM, gross income reinvested) and GAM. Data shown as at July 25th, 1997. All calculations in DM.

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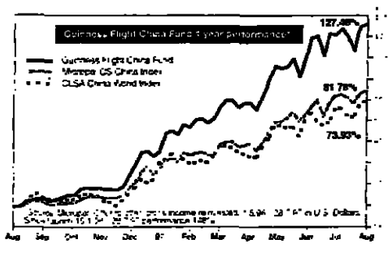
4

GUINNESS FLIGHT

CHINA FUND



- The Guinness Flight China Fund has produced a performance of 127% over the last year, underlining the investment potential of China's developing equity markets and Guinness Flight's Asian investment expertise.

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Past performance is not necessarily a guide to the future. Fluctuations in the value of the underlying securities and the income from them and changes in interest and exchange rates mean that the value of this investment and the income from it can fall as well as rise and are not guaranteed. Investors' attention is drawn to the fact that political, market and settlement risks in China are significantly higher than in more developed markets, whilst accounting, regulatory and legal standards are significantly lower. The Guinness Flight China Fund is a sub fund of Guinness Flight Select Funds PLC. Minimum investment: €2,000/US $3,000. For your protection telephone calls may be recorded. Issued by Guinness Flight Hambro Asset Management Limited, regulated by IMRO and The Personal Investment Authority. 3548/97

5

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7

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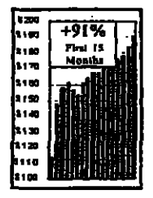
Magnum Capital Growth Fund Ranked #1 Offshore Global Equity Fund in the World by the *Wall Street Journal Europe and Asia* for 12-month Period through April 4, 1997. (Up 59.7% for year.)



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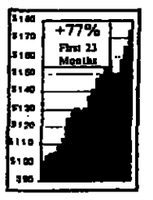

For more information, fax Dion Friedland at Magnum at **242-356-6640** or visit our web site at ***www.magnumfund.com***

8

Momentum AllWeather Fund

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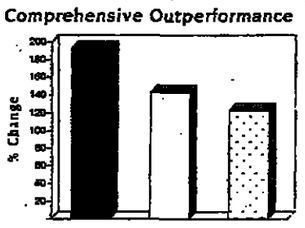


Source: Micropal. Total Sterling growth between 01/7/92 and 01/7/97. The chart shows bid-to-bid Old Mutual International (Guernsey) European Stockmarket Fund performance.

Investors should remember that past performance is no guarantee of future returns and that fund prices will reflect the value of the underlying investments. As a result of the amount of international and possible exchange and interest rate fluctuations, the value of investments can go down as well as up.

OLD MUTUAL INTERNATIONAL

10

TOP PERFORMING FUNDS ADMINISTERED BY OLYMPIA CAPITAL INTERNATIONAL INC.

Olympia Capital International, an independent third-party offshore administrator, values more than 100 offshore entities across a broad array of investment disciplines. A selection of funds is outlined below.

Fund/Manager	Investment Category	Annualized Return to 31/07/97	% Positive Months Std. Dev.
Finsbury Group Limited Shenkman Capital Mgmt.	US High Yield Debt	16.51% *(from 31/12/90)*	83.54% 6.36
Forest Fulcrum Limited Forest Investment Mgmt.	US Convertible Arbitrage	16.50% *(from 1/07/94)*	97.14% 4.34
The Merger Fund* Green & Smith Capital Mgmt.	US Equity/ Merger Arbitrage	15.08% *(from 1/01/96)*	100.00% 2.61
PIMCO Stocks^{PLUS} Series* Pacific Investment Mgmt.	Stock Index Tracking	61.37% *(from 31/12/96)*	85.71% 16.59
Winchester Convertible Plus Ltd. Oaktree Capital Mgmt.	US Convertible Debt	19.64% *(from 31/12/90)*	87.34% 6.55

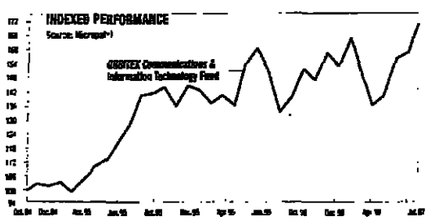
* The managers of these funds have U.S. funds employing substantially the same policies with histories going back to 1990 (Green & Smith) and 1987 (PIMCO), respectively.

For further information contact Anne-Marie da Silva at Olympia Capital International's Bermuda office, at 01 (441) 298-5007 or via fax at 01 (441) 295-2305.

11

ORBITEX®
Group of Funds

ORBITEX Communications & Information Technology Fund



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(* Performance since inception (based on Micropal Data in US $, 1 Oct 94 to 20 Jun 97))

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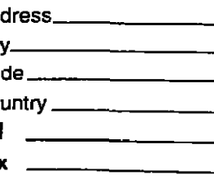

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12

Perpetual THE FUND RANGE

Fund	Launch Date	% Change Since Launch	% Change 5 Years	Fund Research Rating*
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Emerging Companies	8.4.85	+792.0	+136.6	AAA
American Growth	21.4.84	+1366.9	+148.9	AA
Latin American Growth	31.1.95	+65.4	—	—
Far Eastern Growth	8.11.86	+444.6	+146.3	AAA
Japanese Growth	30.11.91	+25.3	+38.4	—
Asian Smaller Markets	5.3.93	+118.4	—	AA
UK Growth	24.10.87	+399.9	+137.8	AAA
European Growth	8.11.86	+279.2	+124.8	—

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13

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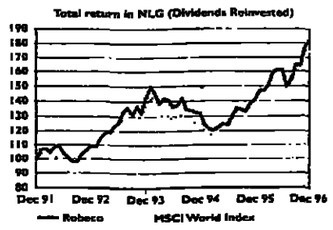

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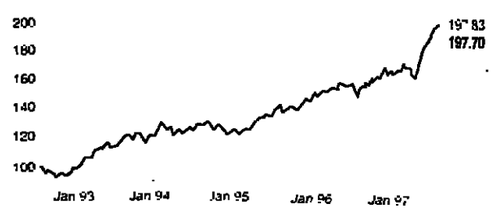
14

SOGELUX FUND
EQUITIES INTERNATIONAL GROWTH

S.G.A.M.

Net Asset Value per share evolution
(Base 100 Starting Period) July 31, 1992 to July 31, 1997 (Currency: USD)



The Societe Generale Group launched the first French SICAV in 1964 and manages today more than USD 55 billion in over thirty financial market places worldwide on behalf of private investors and institutions.
Since 1987, the Societe Generale Group has been offering a Luxembourg based mutual fund, SOGELUX FUND, today composed of 33 compartments with a total NAV of USD 6000 million.

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- 10 bond compartments specialized in countries or geographic areas (USA, Japan, Europe, Germany, France, UK, Switzerland, Spain, Italy, World) denominated in the corresponding currencies.
- 5 money market compartments: USA, Europe, Germany, France, Italy.

Two compartments have been launched on April 28, 1997: Equities - Indian subcontinent and Equities - Eastern Europe.
SOGELUX FUND - EQUITIES INTERNATIONAL GROWTH OUTPERFORMED ITS BENCHMARK OVER A PERIOD OF FIVE YEARS (CF GRAPH).

15

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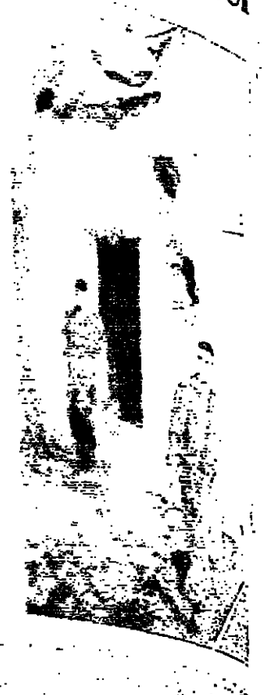


THE MONEY REPORT

Going, Going, Gone: Cheap Homes at Auction

By Conrad de Aenlle

PROPERTY AUCTIONS, with their blunt and swift efficiency, are no place for the undisciplined, disorganized or naive. But home-buyers who are short on capital and long on willpower stand a good chance of finding a bargain at one.

In many countries lenders use auctions to get rid of repossessed properties. They could probably tease out higher prices through more creative marketing, but their only interest is to bring in enough cash to cover the outstanding mortgage. The lender breaks even, the erstwhile homeowner whose equity is wiped away loses, and the buyer, if astute, comes out ahead.

"They are nearly always bargains," said Christine Hilton, co-owner of La Residence, an agency in Oxfordshire, near London, that buys property in France. "Worldwide, repossessed properties are always going to be good value because it's a forced sale."

A typical auction property is an apartment or small house often needing renovation after a period of neglect. Commercial buildings are also sold. Buyers may be looking for the family home or for an investment.

In Britain it became a fad during the property recession of the early 1990s for parents to buy cheap residences at auction, sometimes for as little as £6,000 ($97,000), as a place to install their children at college.

"If you know your way around an auction room, you can pick up a bargain," said Graham Harris, a British property consultant and chairman of the Auctioneering Steering Committee of the National Association of Estate Agents. To that end, he advised newcomers to attend a few sales, but just to "stand there and watch and see.

"The only way to do it is to practice," he said. "If you don't control yourself, you can easily forget what you're doing."

The sale itself takes minutes and is the tip of the iceberg-like process of buying at auction. Mr. Harris said the buyer should have a lawyer contact the vendor's lawyer before the sale to confirm matters concerning title to the property and to the freehold, the ground underneath. A valuation survey should be made, especially if the bidder has little auction experience.

"You need to make sure there's nothing that would lead the lender to back out of a mortgage," he said.

Speaking of the mortgage, that should be arranged before the sale, too, because once the hammer comes down, the winning bidder owns the place and has to pay for it. Insurance also becomes his immediate responsibility.

"When you go into the room, you've got to know you've got the money to complete it," Mr. Harris said. A 10 percent deposit in cash or a cashier's check is due on the spot. Financing must be in place to cover the other 90 percent, which typically is due a few weeks later, because "if you don't pay, they can sell the property and sue you for the rest."

Self-control is vital: If a winning bid is higher than the valuation made by the mortgage lender, the new homeowner may have to come up with a larger down payment, probably 10 percent of the appraised value plus the difference between that amount and the sale price.

There can be additional difficulties for people buying property abroad at auction — say, a vacation home.

"The uncertainty of the legal system can make it an unattractive route to take," Mrs. Hilton of La Residence said. "It's a foreign country and so it's not a system they're easy with."

While there is time for reflection in a conventional sale, the fact that a buyer must "be ready to move and go through with the transaction right then and there, with no second thoughts," can hinder foreign buyers, she said.

In many Continental European countries, property transactions, whether through auction or otherwise, incur hefty charges for legal or notary fees and taxes. In France, these can inflate the price by more than 10 percent.

Buyers looking for good deals at auction in some locations are being squeezed by recoveries in housing prices: There are more prospective buyers, but they are chasing fewer properties because renewed economic strength gives strapped homeowners a chance to dig out.

In Los Angeles, for instance, properties sold at auction have been going for their fair market value, "and in some cases even more than list price, especially in two- and four-bedroom homes," George Pino, who heads the auctions division at Fred Sands Realty Group in Los Angeles, said. "Foreclosure auctions are slowing down in L.A., but not in other areas of the U.S., places like Florida, Boston, upstate New York and New Jersey."

In Britain, Mr. Harris said, "there were some very fine bargains to be had, but now the market has swung round again." Because there are fewer repossessions and more deals being struck before the sale date, "I'm not sure many properties will make it to auction. You get a situation where people are bidding for something that's not under the hammer. It's nor so good from a buyer's point of view." It is only in recent years, since housing prices plummeted in the late 1980s, that repossessions have dominated British auctions. A generation ago, "every good property was sold at auction," he said.

To a large extent that is still the case in Ireland, where last year half a dozen residences were auctioned for more than one million punts ($1.4 million) each, including a castle in Dublin that fetched 2 million punts.

"Unlike other markets, auctions are not used to sell distressed properties at all in Ireland," a consultant to the Irish Auctioneers and Valuers Institute said. "There may be the odd repossessed property, but only the very odd one; 99 percent of auctions are not unwelcome. Quite often they go to auction to achieve the best price."

The consultant, who asked not to be identified by name, added that vacation homes in Ireland, the residences that foreigners would have greatest interest in, are usually sold privately.

Despite its differences, the Irish auction market is similar to others in key respects: the need to arrange a title check, valuation, insurance and mortgage before the sale.

The finality of an auction is what his clients like about it, the consultant said: "It's a bit like an execution. It concentrates the mind of everyone."

For further information on auctions of property in:

- BRITAIN: Details of coming auctions in Britain and results of recent sales are printed in Estates Gazette, a weekly trade magazine available at newsstands, as well from larger mortgage lenders.

THE NATIONAL ASSOCIATION OF ESTATE AGENTS is at 21 Jury Street, Warwick, England, CV34 4GH. Tel: 44 1926 496 800; fax, 400 953; e-mail, naea@dial.pipex.com.

- IRELAND. A list of Irish Auctioneers and Valuers Institute agents, many of which handle auctions, can be obtained by writing to: Members Directory, 38 Merrion Square, Dublin 2, Ireland. Tel. 353 1 661 1794; fax: 661 1797; e-mail: mio@iavi.ie. Much of the available information can be found on the institute's web site, www.iavi.ie.

- FRANCE La Residence, tel: 44 1491 838 465

Bob Heitman/The Associated Press

Soufriere Hills volcano on Montserrat, viewed from nearby Antigua.

Post-Disaster Property: Buying on Bad News

By Aline Sullivan

Violent fires soon burn out themselves; Small showers last long, but sudden storms are short.

— William Shakespeare, "Richard II."

AS HURRICANE season approaches its crest in the Caribbean, property owners are holding their breath as well as their hats. After three devastating hurricanes in the past nine years, local real estate brokers say some owners just cannot face another.

Prospective buyers also are watching the weather. Hurricanes, like earthquakes and volcanoes, can cause real estate prices to plummet temporarily. Even the prospect of disaster can do it.

"There are some good speculative buys right now," said Nick Bailey, managing broker at John Foster Real Estate in St. Thomas.

Of course, most of the best deals are made after the catastrophe. In the U.S. Virgin Islands, for example, many condominiums changed ownership at fire-sale prices following Hurricane Marilyn in 1995. Houses were more robust: Local brokers reported reductions of about between 20 percent and 40 percent on homes worth between $200,000 and $500,000, less on more expensive properties and on undeveloped land.

Beachfront prices near Charleston, South Carolina, plunged 20 percent in the year after Hurricane Hugo hit. But H. Brown Hamrick, president of local real estate broker Disher, Hamrick and Myers, thinks the storm did more good than harm in the longer term: Insurance paid for needed renovation, and today prices are near their all-time highs.

Investors willing to gamble now on the tiny island of Monserrat in the West Indies could achieve considerable savings. Villas that cost from $300,000 to $1.8 million before the Soufriere Hills volcano sprang to life in July 1995 after 400 years of dormancy could go for as little as half that, brokers say.

But local real estate agents remain confident that the island will recover. Most residents polled in recent weeks have said that they want to remain while those who have fled, including large numbers of American, Canadian and British retirees, want to return.

One thing seems certain: Return they will. "People really have very short memories," observed Michael Collins, real estate director for Fred Sands in Beverly Hills, California. After a 6.6-point earthquake struck Los Angeles in January 1994, many people fled the area, and prices in Northridge, which is situated at the center of the fault line, came down about 30 percent in six months, Mr. Collins said. "But they have recovered long since and those opportunities are now gone."

Japanese real estate values appear less aligned to the incidence of natural disaster than in the west, perhaps because all of the country is vulnerable to earthquakes. Prices in Kobe declined after the devastating earthquake three years ago but have since performed in line with those of the country as a whole, real estate analysis at the Tokyo office of Smith Barney said.

Prices also tend to be more stable in Europe, where Mother Nature appears to have a lighter touch than in Caribbean or Japan. The recent flooding in Germany, although described Tuesday by Chancellor Helmut Kohl as the "worst natural disaster ever faced by newly-united Germany," has not prompted a drop in prices, real estate brokers said.

"It's easier to repair flood damage that that caused by an earthquake," Michael Creamer of Cushman & Wakefield in New York said. "All you have to deal with is a soggy house."

When Money Rules – but Emotion Overrules

FINANCIAL advisers often spend a great deal of time evaluating their clients' assets and sorting through their portfolios. Smith Barney financial consultants are taking an extra moment to peek inside their clients' heads.

On the excellent theory that behavioral idiosyncracies can affect investment decisions, Smith Barney's in-house consulting group recently released a highly readable report on the subject. Subtitled "Those 'Mysterious' Market Movements: When Emotion Overrides Analysis," the report contends that investors often choose the investment alternatives that provide psychological solace rather than the ones that offer the greatest returns.

"In a perfect world investors would be as cold and calculating as a computer chip," the report says. "They would buy and sell investments without emotion, passion, infatuation or antipathy. Their decision would be based on a primary goal: increasing their overall economic well-being."

Instead, the researchers found, investors' "feelings of loss, pride and regret clutter or even confound the process."

For example, while it is commonly understood that people are risk-averse, the research cited in the report indicates that investors' attitudes toward risk depend on whether the investor currently is losing money or recording gains. Behavioral finance researchers have found that investors tend to become more risk-averse when they are facing the prospect of a gain and more risk-seeking when they are facing the prospect of a loss. That is because people feel the pain of losses more than they feel the pleasure of equivalent gains.

"If a $100,000 investment returns 20 percent, the investors receives more than just a $20,000 gain: He also experiences a sense of pride. Conversely, if an investment loses 20 percent, the investor loses more than $20,000: He also experiences remorse," the researchers found.

"Since remorse is more deeply felt than pride, people will tend to avoid situations in which the chances of each occurring are equal. Although the odds may be the same, the impact on an investor of each possible outcome is not."

Other findings:

- People regret action more than inaction, and they do not like to experience regret. Therefore, they are more likely not to act than to act.
- Investors place a higher value on items they own than the items will actually fetch in the market.
- People do not comprehend or analyze information the same way and will alter their decisions based on how the same information is presented.
- Investors attach too much weight to current information, and assume — despite disclaimers by mutual-fund managers and others — that the future will be a continuation of the present, and
- People are susceptible to "herd" behavior in investment selection.

The researchers acknowledge that one area of inquiry which could use further study concerns stock-market behavior. Although they found that many significant one-day movements could be attributed to news and information that changed investor expectations on interest rates, corporate earnings and the like, some extreme movements — the 1987 crash, for example — could not.

"By using the basic information in the report to probe our clients' financial psyches, we can try to make them more comfortable with investments that may initially be contrary to their own emotions and help them understand the causes behind broader market movements," Frank Campanale, president of the consulting group, said. "This knowledge can help keep investors focused on their financial objectives and a long-term investment plan."

International Herald Tribune

BRIEFCASE

Stock-Picking Tips From All Over

Selecting an international equity can be a complex process, as a recent study by Greenwich Associates, a Connecticut consultant to pension funds and endowments, reveals.

To be sure, these big institutions get plenty of attention from brokerages. Still, some of the data gathered in the Greenwich survey may be instructive for individuals.

Most large players start their overseas investing process by deciding how much cash they will allocate to a country or region. Often they seek the best prospects by reviewing "top-down" research, which assesses issues such as economic conditions, currency and politics, according to John Colon, a partner at Greenwich Associates.

From there, priorities vary from region to region:

For **Europe**, the big players value detailed studies of individual companies, but more than half of the 159 international investors surveyed by Greenwich also want input from a separate European generalist, who looks at economic conditions and politics.

Japan tends to be viewed as a stand-alone market where individual company research is very important. The highest priority is given to detailed financial analysis of an individual company, a reflection of the complexity of Japanese corporate accounting practices.

In **Asia's** smaller markets, detailed company analysis is important, but sector analysis — where a company is compared with its competitors in other countries — carries less weight in stock selection. The reason: "Local economic and currency factors can overwhelm industry factors," Mr. Colon said.

In **Latin America**, many companies now issue American depositary receipts, which means they must conform to U.S. accounting and disclosure standards. Thus, while company analysis is important, obtaining such data is less of an issue than it is elsewhere, Mr. Colon said. Instead, the top priorities of big institutional investors are assessments of issues such as economic growth, inflation and political stability.

Mr. Colon stressed that his firm advises only institutional investors, but he said individuals would do well to emulate their strategy of spreading risk by diversifying their international portfolios. "You might place a huge single bet on China, and get a great return, but if you're going to place a bet on a single country or stock, you should be clear that it's a more specific bet with the extra risk that implies," he said. *(IHT)*

Bullish Noises From a Rare Bear

One of the most bearish of the bears has turned bullish — sort of. Robert Prechter, who through his investment newsletter "The Elliott Wave Theorist" has been predicting calamity for the U.S. economy and stock market for several years — and several thousand points in the Dow Jones industrial average — now acknowledges that the bull run has farther to go.

Mr. Prechter writes in his August edition that the market is in the early stages of the fifth and final leg of the bull run that began after the stock-market collapse of 1987. This fifth intermediate wave, as Elliott aficionados call it, began at the low in April. A short-term top is imminent, Mr. Prechter said, but the subsequent decline should be a mere correction on the way to further highs in the fall.

"With respect to the larger trend, indicators remain positive," he writes. "Volume is at a record, the number of stocks making new highs for the preceding 12 months is expanding, and the weekly rate of change for the New York Stock Exchange Composite index recently hit a multiyear high."

This cheery outlook is new and surprising. Five months ago Mr. Prechter told The Money Report: "I think the U.S. stock market has topped out and faces an initial collapse from mid-March into May. Most stock markets worldwide are likely to follow suit. After a rebound lasting a couple of months, stocks should resume their declines. Major stock declines have always led to recessions or depressions, and this time should be no different."

He still expects those things to happen — just not until the final wave is complete. There is a slim chance, he warns, that the rise from April, rather than being a part of that wave, was actually the entire thing, meaning a long-term top is at hand. *(IHT)*

Be Careful What You Wish For

The trouble with chasing yield is deciding what to do after you have caught it.

Emerging-market bonds have been among the best fixed-income performers over the last year, propelled higher by investors frustrated with the increasingly meager returns of debt issued in mature markets. As a result, yields have fallen to a point where investors may again be compelled to look elsewhere for higher returns.

Yields on 10-year Mexican Brady bonds — a Brady is an emerging-market sovereign issue priced in dollars and partially backed by U.S. Treasury paper — have fallen to 8.5 percent, or just 2.5 percentage points above the yield on 10-year U.S. Treasury notes. During the 1994-1995 peso crisis, their spread over Treasurys went as high as 19 percentage points.

"With yields this low it is hard to see how money managers can reproduce the double-digit returns of the last two years," Foreign & Colonial Emerging Markets, a London-based fund manager, wrote to clients.

It suggested three alternatives: dollar-denominated debt of higher-yielding, but sound, countries such as Ecuador or Bulgaria; local-currency government debt in places like Mexico, Russia or Venezuela; and corporate debt, which carries yields of 0.5 to 2 percentage points more than comparable sovereign issues.

ING Barings, however, is more inclined to stick with Bradys, for the following reasons: The "spread compression" between Bradys and Treasurys has also occurred between emerging-market corporate issues and Bradys; the expansion in global liquidity of the last two years may be on the verge of slowing or even reversing, and U.S. interest rates seem ready to head back up.

In its most intriguing argument, ING cites the "money illusion" that it believes has seduced investors: The yield they are chasing is some nominal figure that represents the interest rate they feel they deserve. In their pursuit, they ignore such key factors as credit risk and the fact that real yields — nominal yields minus inflation — have not shrunk.

"If the market becomes convinced that the current environment of global disinflation is structural rather than cyclical, the search for spread may slow down," the report says. *(IHT)*

Brokers See End to Japan's Real-Estate Slide

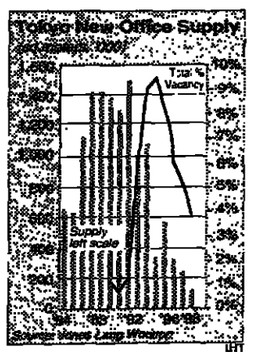
Continued from Page 15

seeking information on purchasable land, with some aggressively picking up Tokyo properties. While no reliable data on foreign purchases are available, real estate agents said they had recently handled property deals on behalf of Western clients and that demand was on the upswing.

The earliest move on this front has been made by other Asians, who have been eyeing Japanese real estate for some time as a promising investment. Nothing epitomizes this trend more than the highly publicized purchase in March of a 0.5 hectare tract near Tokyo Station by Pacific Century Group for 86.8 billion yen ($727.9 million). Big Korean companies, such as Pohang Iron & Steel Co. and Samsung Group, also are buying at the top end.

The rediscovery of Tokyo property is sustained in part by the prospect that Japan's latest plan to deregulate its financial markets will lure back some of the investment businesses lost to cities such as Hong Kong and Singapore.

Yutaka Kumada, deputy general manager in the real estate investment advisory department at Sumitomo Trust & Banking Co., said that an American financial company recently consulted Sumitomo on a development project involving a high-grade apartment complex for foreign residents. The client said it was eyeing the needs of



expatriates returning to Tokyo.

To the chagrin of eager investors, however, the theoretical availability of properties is not matched by the opportunities to buy, partly because the bulk of the Tokyo real estate market does not operate in an open environment. Rather, analysts said, in a culture where putting long-cherished properties on the block spells public embarrassment, an owner will typically shun publicizing a potential sale, preferring instead to channel the information to a trusted agent who will then sound out several tight-mouthed clients.

Another limiting factor is a dearth of integrated patches of land that come in useful sizes and shapes. Land tracts in Japan are often too small and patchy for use for big commercial rental property.

Yet another problem is finding financing. Banks are still saddled with some 27.9 trillion yen in mostly property-linked bad loans, and that has severely curtailed lending.

The emergence of a two-tier market structure means that investors must choose within a narrowed range of available properties. The market has seen prices polarize between locations with the most productive value and secondary properties that remain exposed to further losses.

One bit of good news for foreign investors is that the property market is beginning to behave like its Western counterparts. Real estate agents note that property values are increasingly couched in terms of annual returns to investors — focusing on the revenue that a property could generate — rather than just the potential for capital appreciation.

Contrary to what some people might expect, Japan poses no legal obstacles to foreign acquisition of the local property, nor does it tax nonresident buyers differently than the locals, according to Shinya Sato, president of Jones Lang Wootton in Japan.

To facilitate the search, Mr. Sato advised focusing on a particular genre, such as office buildings, multi-unit residential, warehouse or lodging.

Mr. Kawakami of Richard Ellis finds opportunities in the Toranomon-Shinbashi area in Minato ward. Property deals he has processed recently range from 3 billion to 4 billion yen for a space of approximately 1,000 tsubo (35,600 square feet) and fetch annual rents of about 5 percent of the purchase price.

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Herald International Tribune
SPORTS

WORLD ROUNDUP

Stadium Bombing Rocks Stockholm's Bid for 2004 Games

OLYMPICS The fading hopes of Stockholm to hold the 2004 Olympic Games received a devastating blow Friday when a bomb destroyed sections of the stadium left over from the Summer Games of 1912.

The predawn blast at the Olympic Stadium, where Jim Thorpe was crowned the world's greatest athlete 85 years ago, was the latest in a series of attacks that reports have linked to the city's Olympic bid.

The police said no one was hurt in the explosion, which sprayed glass, roof tiles and debris from the press section of the facility — the world's oldest Olympic stadium still in regular use.

The authorities also said it was too early to tell if the bombing was the work of anti-Olympics groups, which have been vocal in opposition to returning the games to a country usually identified with peace and international understanding.

But it was almost certain that the 2004 bid would suffer, with the vote by the International Olympic Committee on the host city less than a month away.

While politicians and sports officials publicly said the bombing would have no effect on Stockholm's chances, the afternoon newspaper Aftonbladet summed up what many people feared.

"End of the Olympic Dream," said a front-page headline. The newspaper added: "After last night's bomb, we don't have a chance." *(AP)*

Mets Deal Lance Johnson To Bolster Their Bullpen

BASEBALL The New York Mets, desperate to shore up their bullpen, traded the outfielder Lance Johnson and two players to be named later to the Chicago Cubs on Friday for the relief pitchers Mel Rojas and Turk Wendell and an outfielder, Brian McRae.

The trade was the first for Steve Phillips since he took over as general manager of the Mets on July 16.

"We've been trying to upgrade the bullpen since the offseason, especially late in the game," Phillips said during a conference call.

Johnson, an All-Star last year, is hitting .309 with 15 stolen bases and six triples. *(AP)*

Dutch Soccer Club Fires 4

SOCCER The Dutch soccer club Telstar has fired four players who allegedly had sex with a 15-year-old girl at a preseason training camp, media in the Netherlands reported Friday.

The girl, who was not identified, did not report the incident to police and there have been no criminal charges filed.

"Whether this was consensual or not, our reputation has been sullied — that's what this is about," said Telstar's chairman, Jan de Wit, the Dutch daily newspaper Algemeen Dagblad reported.

The legal age of sexual consent in the Netherlands is 16.

Telstar, based in Velsen about 12 miles (19 kilometers) northwest of Amsterdam, plays in the Dutch first division, the nation's second-highest professional league.

The players — Benito Cooman, Ray Inge, Dave Kuysten and Orpheo Nok — allegedly all had sex with the girl in a car parked outside the team's hotel on July 26. *(AP)*

Kipketer Glides to Victory

By Ian Thomsen
International Herald Tribune

ATHENS — It looked as if Wilson Kipketer had won the World Championship 800 meters on Friday night with 700 meters to go. In fact, his race was just beginning. He was trying to catch a ghost.

Kipketer is not to be judged against those who try to keep up with him. He left all seven of them trailing hopelessly behind from the opening turn. Indeed, this defense of his 1995 championship had never been in doubt this week as he swooped around his three preliminary heats like a sparrow teasing alley cats. One could not watch without feeling envy for such liberation. But his performance in the final had an edge to it, a mechanical grind.

What he really wanted was the world record, set at 1 minute 41.73 seconds by Sebastian Coe of Britain 16 years ago and equaled precisely by Kipketer just last month. In that meet at Stockholm, Kipketer had fallen into step with the phantom. Now he wanted to burst himself through the ghost of Coe and into another dimension.

"It wasn't my pre-race plan to run from the gun to the tape in the lead," Kipketer said after Friday's race. "I decided to do it that way just before the final because I felt it was right."

As his powers have ascended this year, he has been less and less willing to explain his moods and ambitions. He seems to think we would never understand him anyway.

Kipketer, 24, was born and raised in Kenya, where he was discovered 10 years ago by the great Kip Keino. Keino, in turn, recommended him to Father Colm O'Connell, the Irish priest who runs the St. Patrick's School in Kenya's Rift Valley where many elite athletes have been refined over the years.

To pay for his place, Kipketer painted the school buildings during the summer holidays. In 1990, he moved to Copenhagen for a university course in electrical engineering. He met a woman there — Pernille Falck-Hansen, the 200- and 400-meter runner — and he learned to speak Danish. By 1995 he was winning the world championship in the uniform of Denmark.

Last summer his adopted country refused to alter its naturalization laws, preventing Kipketer from earning the Danish passport that would have allowed him to enter the Olympics. He watched on television as a Norwegian, Vebjorn Rodal, won the gold medal in Atlanta.

"I didn't feel any regret," Kipketer said. "I made my decision and I had to pay the price."

As he completed the first of his two laps on Friday, it was becoming obvious that Kipketer was losing to the ghost.

WORLD ATHLETICS

His eyes were fixed on a point directly in front of him, but the winds were swirling in the Olympic Stadium, pawing at his loose red-and-white Danish outfit. Perhaps the earlier heats had drained some of his spirit.

He came to a stop, satisfied but not at all surprised, his time of 1 minute 43.38 seconds just a passing grade.

Behind him, Norberto Tellez of Cuba won a vicious race for the silver medal in 1 minute 44.00 seconds, with Rich Kenah of the United States grabbing the bronze medal out of the hands of Kenya's Patrick Konchellah by one one-hundredth of a second.

"I was confident I had a one-in-seven chance for one of the two remaining medals, as Kipketer is in a world of his own," said Kenah, who ran a personal-best time of 1 minute 44.25 seconds.

"They wanted to push me," Kipketer said, perhaps a bit peeved. "They forgot that I am pushing myself."

Despite the International Amateur Athletics Federation's first-time offer of $100,000 for world records, it seems now that these 6th World Championships might pass without any historic performances. This has happened only once before — at Rome in 1987, after Ben Johnson's world record of 9.83 seconds in the 100 meters was annulled because of his drug scandal.

The women's 200 meters on Friday went to the surprising 25-year-old Zhanna Pintussevich, who wasn't quite sure how to react. Last Sunday, the Ukrainian mistakenly believed she had won the 100-meters gold medal and ran a quarter-victory lap before her face went into a raging blush. This time, Pintussevich waited, caught her breath, and made absolutely sure of her victory in 22.32 seconds before heading off.

The race had held one last great promise for Merlene Ottey, the 37-year-old official ambassador of Jamaica, her chances having risen after the Olympic champion, Marie-Jose Perec of France, pulled out of the semifinal Thursday with a groin injury. As Ottey came out of the turn, she was in the lead. Then, her stride began to age. The Sri Lankan silver-medalist Susanthinka Jayasinghe (22.39 seconds) beat her by one one-hundredth of a second for the silver medal. The bronze medal extended and probably completed Ottey's record of 14 world-championship medals, pending the sprint relay this weekend.

To much relief, Ato Boldon of Trinidad and Tobago won the men's 200 meters in 20.04 seconds. Boldon should be one of the next great stars, but his potential might have been permanently scarred if he had failed to recover from his fifth-place run in the 100 meters final last weekend. Well behind him in 20.23 seconds was Frankie Fredericks, who has been a major-meet runner-up since winning the world title in 1993.

The U.S. men will have to do without Michael Johnson in the 4x400 meters relay Sunday. His manager revealed that the American champion needs more rest for his lingering thigh injury.

Anja Niedringhaus/Agence France-Presse

Wilson Kipketer of Denmark, right, winning the 800-meter final Friday.

Bidouane Wins Gold for Morocco

Agence France-Presse

ATHENS — Nezha Bidouane won only the second women's gold medal at a major championship for Morocco when she took the 400-meter hurdles title Friday, 13 years ago to the day after a compatriot, Nawal Moutakawel, won the Olympic title in the same event in the 1984 games.

Bidouane was timed at 52.97 seconds while the Olympic champion, Deon Hemmings of Jamaica, was second in 53.09. Kim Batten of the United States, the world-record holder, was third in 53.52.

"I am so happy to have given Morocco its second women's gold medal, and after 14 years," Bidouane said. "This is a victory for Arab women athletes. It shows they can beat anyone in the world."

Hemmings, who had almost pulled out before her first-round heat because she was ill, looked like the winner early in the race. But she tired as Bidouane came on. "She's beaten me three times this season," Hemmings said. " I feel tired though I don't feel ill any longer. The headwind really took a lot out of me."

Batten, who broke Sally Gunnell's world record in the World Championships two years ago in Gothenburg, said she had paid for not concentrating on the real target — the gold medal.

"I think Deon and I had our minds on breaking the world record and not winning the race, and that was a big mistake," she said. "In Gothenburg, I went out in a different frame of mind, just to win, and the record was a bonus. Tonight I ran a stupid race and paid for it."

■ Topless Spectacle Angers IOC

Greek television's decision to show a female athlete running virtually topless in the 5,000-meter semifinal on Thursday has infuriated International Olympic Committee officials, Agence France-Presse reported from Athens.

"It was tasteless and should never have been done," a senior IOC official said Friday.

"We would never allow such pictures to be televised at the Olympics. It has certainly not helped Athens' chances of getting the 2004 Olympics," the official added.

Habtemariam Nebiat, of Eritrea, who was completely outclassed and lapped by the winners in her heat, had decided to race without a bra. But the running vest she wore was several sizes too big, leaving her breasts fully exposed.

Pictures of her were carried on the two giant television screens at each end of the Olympic stadium, bringing screams of delight from the Greek crowd.

The International Amateur Athletics Federation's president, Primo Nebiolo, sitting in the VIP stand, grinned broadly when he saw the pictures.

Nebiat was coming down the back straight when she saw herself on the screen.

Near tears, she clutched her vest with her left hand to cover herself, and struggled on, determined to finish the race.

Despite the fact that the winners had already left the track, she completed another lap to win a huge roar of appreciation from the spectators.

Judge Clears Grobbelaar

The Associated Press

WINCHESTER, England — The judge hearing the English soccer match-fixing trial acquitted the Zimbabwean goalkeeper Bruce Grobbelaar on Friday on the lone remaining count of fixing soccer matches for money.

The judge, Sir Charles McCullough, entered the not-guilty verdict when the jury — after deliberating 30 hours over six days — said it could not reach a decision. "I direct a verdict of not-guilty be entered," the judge said. "And that means Mr. Grobbelaar you are discharged."

On Thursday, the jury acquitted Grobbelaar and the other three defendants — former English soccer stars John Fashanu and Hans Segers and Malaysian businessman Heng Suan Lim — on the first two counts.

Grobbelaar, the former Liverpool and Southampton star, had to wait until Friday to be cleared on the third charge which only involved him.

The remaining count alleged that Grobbelaar accepted £2,000 ($3,200) on Nov. 3, 1994, to let in goals while he was playing for Southampton.

The jury returned the first two verdicts Thursday after deliberating 26 hours at Winchester Crown Court.

The retrial, which entered its 46th day Friday, was necessitated after a jury failed five months ago to reach any verdicts in a 34-day trial.

The two trials are reported to have cost about £12 million to prosecute. The first trial was widely followed, but the second was largely unreported until it went to the jury.

Grobbelaar, 39, and ex-Wimbledon goalkeeper Segers, 35, were accused of receiving money to deliberately let in goals and throw games.

All four men pleaded not guilty to charges of conspiring to give or receive money to influence the results of Premier League games between 1991 and 1994.

David Cheskin/Agence France-Presse

A jubilant Bruce Grobbelaar after his acquittal in a match-fixing trial.

SCOREBOARD

BASEBALL

MAJOR LEAGUE STANDINGS

AMERICAN LEAGUE

EAST DIVISION

	W	L	Pct.	GB
Baltimore	70	40	.636	—
New York	66	46	.589	5
Boston	56	59	.487	16½
Toronto	54	58	.482	17
Detroit	53	59	.473	18

CENTRAL DIVISION

Cleveland	57	52	.523	—
Milwaukee	55	57	.491	3½
Chicago	54	58	.482	4½
Minnesota	50	63	.442	9
Kansas City	47	64	.423	11

WEST DIVISION

Anaheim	65	49	.570	—
Seattle	64	49	.566	½
Texas	52	61	.460	12½
Oakland	45	71	.388	21

NATIONAL LEAGUE

EAST DIVISION

	W	L	Pct.	GB
Atlanta	73	43	.629	—
Florida	66	47	.584	5½
New York	64	49	.566	7½
Montreal	58	54	.518	13
Philadelphia	38	74	.339	33

CENTRAL DIVISION

Houston	61	54	.530	—
Pittsburgh	57	58	.496	4
St. Louis	52	62	.456	8½
Cincinnati	48	64	.429	11½
Chicago	46	69	.400	15

WEST DIVISION

San Francisco	64	51	.557	—
Los Angeles	62	52	.544	1½
San Diego	54	60	.474	9½
Colorado	54	62	.466	10½

THURSDAY'S LINESCORES

AMERICAN LEAGUE

Detroit 001 160 000—8 11 0
Kansas City 001 000 102—4 9 0
Dishman, Micell (8) and Casanova; Belcher, J. Walker (5), Mi.Perez (8), Casian (9) and Macfarlane. W—Dishman, 1-0. L—Belcher, 11-10. HRs—Detroit, Higginson (20), Hamelin (13), Easley (17). Kansas City, C. Davis (18), J. King (17), Vitiello (5).

Milwaukee 000 020 002 000 0—4 10 1
Oakland 040 000 000 000 1—5 10 1
(13 innings)
Woodard, A. Reyes (8), Wickman (9), DeJones (11) and Levis; Matheny (9), Rigby, Mohler (8), Taylor (9), Groom (9), A. Small (10), D. Johnson (12) and Mayne. W—D. Johnson, 4-1. L—DeJones, 3-5.

Cleveland 000 000 000—0 5 0
Toronto 020 100 10x—4 9 0
Smiley, Shuey (8) and S. Alamar; Clemens and O'Brien. W—Clemens, 17-4. L—Smiley, 1-1.

Boston 050 020 000—7 9 1
Minnesota 021 102 000—6 5 1
Sele, Brandenburg (6), Mahay (6), Lacy (6), Wasdin (7), Corsi (9) and Hatteberg; Bowers, Swindell (5), Aguilera (9) and Steinbach. W—Sele, 11-8. L—Bowers, 0-1. Sv—Corsi (2). HR—Minnesota, Lawton (7).

New York 102 001 000—4 11 0
Texas 002 000 00x—2 4 0
Cone, Stanton (8), M. Rivera (9) and Girardi; Witt, Bailes (7), Whiteside (8), Te.Clark (8), Gundersen (9) and I. Rodriguez. W—Cone, 12-5. L—Witt, 10-8. Sv—M. Rivera (34). HRs—New York, Jeter (5), Be.Williams (14).

Chicago 000 001 001—2 6 0
Seattle 020 010 00x—3 3 0
Eyre, C. Castillo (6), McElroy (8) and Pena, Fassero, Timlin (8), Charlton (9), Slocumb (9) and Da.Wilson. W—Fassero, 11-6. L—Eyre, 0-2. Sv—Slocumb (19). HRs—Chicago, F. Thomas (26). Seattle, Griffey Jr (34), Blowers (4).

Houston 040 000 001 00—5 9 1
Philadelphia 200 000 210 01—4 9 1
Hampton, Magnante (8), R. Springer (8), T. Martin (10) and Eusebio; Beech, Spradlin (8), Bottalico (9), Brewer (11) and Parent, Lieberthal (9). W—Brewer, 1-2. L—T. Martin, 4-3. HRs—Houston, Biggio (17). Philadelphia, Hudler (21).

Florida 010 000 000—1 7 1
Pittsburgh 020 100 20x—5 9 0
A.Leiter, Cook (7), Stanifer (7) and Zaun; F.Cordova, M. Williams (7), Loaiza (5), Rincon (8), L.Iselle (9) and Kendall. W—M. Williams, 7-2. L—A. Leiter, 8-8. HRs—Florida, Daulton (12). Pittsburgh, Kendall (6).

San Francisco 000 000 201—3 5 2
Chicago 010 020 21x—6 11 1
Alvarez, Tavarez (7), Poole (7) and B. Johnson; Je.Gonzalez, Patterson (7), T. Adams (8), R. Tatis (8), Rojas (9) and M. Hubbard. W—Je.Gonzalez, 8-5. L—Alvarez, 1-1. HRs—San Francisco, Snow (19). Chicago, McRae (6), Sosa (24).

San Diego 000 000 000—0 4 0
Cincinnati 022 000 30x—7 11 1
Dn.Jackson, Bergman (5), Cunniare (7) and Romero; Tomko, Sullivan (8) and J. Oliver. W—Tomko, 7-3. L—Dn.Jackson, 2-9. HRs—Cincinnati, Edu.Perez (9), J. Oliver (10).

St. Louis 000 000 000—0 7 2
Atlanta 000 003 00x—3 8 0
Stottlemyre, C. King (8), Fossas (8) and Difelice; Neagle, C. Fox (8), Wohlers (9) and J. Lopez. Edd.Perez (3). W—Neagle, 16-2. L—Stottlemyre, 11-8. Sv—Wohlers (27).

Los Angeles 140 000 282—9 14 0
Montreal 001 020 100—4 13 1
Nomo, Radinsky (6), Osuna (7), Holl (9) and Piazza; Bullinger, Telford (5), Kline (7), M. Valdes (7), De.Hart (8) and Fletcher. W—Nomo, 11-8. L—Bullinger, 6-12. HRs—Los Angeles, Piazza (25). Montreal, Segui (12).

JAPANESE LEAGUES

CENTRAL LEAGUE

	W	L	T	Pct	GB
Yakult	55	35	1	.611	—
Yokohama	46	41	0	.529	7½
Hiroshima	*44*	*44*	*0*	*.500*	*10*
Chunichi	44	49	0	.473	12½
Hanshin	41	48	1	.461	13½
Yomiuri	39	52	0	.429	16½

PACIFIC LEAGUE

	W	L	T	Pct	GB
Orix	49	33	3	.598	—
Seibu	*47*	*40*	*2*	*.540*	*4½*
Daiei	46	45	0	.505	7½
Nippon Ham	43	49	1	.467	11
Lotte	39	45	2	.464	11
Kintetsu	39	51	2	.433	14

FRIDAY'S RESULTS

CENTRAL LEAGUE

Hiroshima 7, Hanshin 1
Yakult 4, Yokohama 1
Chunichi 7, Yomiuri 5

PACIFIC LEAGUE

Daiei 2, Kintetsu 1
Lotte 4, Orix 3

CRICKET

ENGLAND VS. AUSTRALIA
FIFTH TEST, 2ND DAY

Australia: 427 all out
England: 188-4

FOOTBALL

CFL STANDINGS

EASTERN DIVISION

	W	L	T	PF	PA	Pts.
Toronto	5	2	0	10	223	158
Montreal	3	3	0	6	120	181
Hamilton	1	5	0	2	130	170
Winnipeg	1	6	0	2	151	228

WESTERN DIVISION

Edmonton	6	1	0	12	226	150
British Columbia	4	2	0	8	164	146
Saskatchewan	3	3	0	6	137	148
Calgary	3	4	0	6	195	165

THURSDAY'S RESULTS

Calgary 45, Toronto 35
Edmonton 48, Winnipeg 11

SOCCER

FRENCH FIRST DIVISION

Auxerre 2, Paris St Germain 3

INTERNATIONAL FRIENDLY

Ecuador 1, United States 0

TENNIS

SAN MARINO INTERNATIONAL
QUARTERFINALS

Magnus Gustafsson, Sweden, def. Andrei Pavel, Romania, 6-4, 4-6, 6-1; Dominik Hrbaty (6), Slovakia, def. Adrian Voinea, Romania, 7-6, (7-5), 4-6, 7-5.

ACURA CLASSIC
QUARTERFINALS

Monica Seles (2), United States, def. Natasha Zvereva, Belarus, 6-1, 6-1.

TRACK & FIELD

WORLD CHAMPIONSHIPS

MEN
DISCUS
QUALIFIED FOR FINAL

1, Lars Riedel, Germany, 66.46 meters; 2, Virgilijus Alekna, Lithuania, 65.22; 3, Jurgen Schult, Germany, 64.60; 4, Adam Setliff, U.S., 63.72; 5, John Godina, U.S., 63.48; 6, Vitaliy Sidorov, Ukraine, 63.08; 7, Vasili Kapityukh, Belarus, 63.06; 8, Andreas Seelig, Germany, 62.94; 9, Vladimir Dubrovshchik, Belarus, 62.30; 10, Robert Weir, Britain, 62.26; 11, Aleksander Tammert, Estonia, 62.18; 12, Jason Tunks, Canada, 61.82.

TRIPLE JUMP
FINAL

1, Yoelvis Quesada, Cuba, 17.85 meters; 2, Jonathan Edwards, Britain, 17.69; 3, Allecer Urrutia, Cuba, 17.64; 4, Denis Kapustin, Russia, 17.59; 5, Brian Wellman, Bermuda, 17.22; 6, Jerome Romain, Dominica, 17.17; 7, Christos Meletoglou, Greece, 17.12; 8, Andrew Owusu, Ghana, 17.11; 9, Kenny Harrison, U.S., 17.05; 10, Serge Helan, France, 16.97; 11, Charles Friedek, Germany, 16.86; 12, Armen Martirosyan, Armenia, 16.70.

1,500 METER WHEELCHAIR
FINAL

1, Saul Mendoza, Mexico, 3 minutes, 06:10 seconds; 2, Heinz Frei, Switzerland, 3:06.42; 3, Franz Nietlspach, Switzerland, 3:06.43; 4, Jeff Adams, Canada, 3:06.52; 5, Philippe Daupre, France, 3:06.55; 6, Jorge Luna, Mexico, 3:06.56; 7, Hakan Ericsson, Sweden, 3:07.90; Tasos Vardaxoglou, Greece, did not finish.

200 METERS
FINAL

1, Ato Boldon, Trinidad, 20.04 seconds; 2, Frankie Fredericks, Namibia, 20.23; 3, Claudinei Da Silva, Brazil, 20.26; 4, Ivan Garcia, Cuba, 20.31; 5, Georgios Panagiotopoulos, Greece, 20.32; 6, Obadele Thompson, Barbados, 20.37; 7, Jon Drummond, U.S., 20.44; 8, Patrick Stevens, Belgium, 20.44.

800 METERS
FINAL

1, Wilson Kipketer, Denmark, 1 minute, 43.38 seconds, 2, Norberto Tellez, Cuba, 1:44.00; 3, Rich Kenah, U.S., 1:44.25; 4, Patrick Konchellah, Kenya, 1:44.26; 5, Vebjoern Rodal, Norway, 1:44.53; 6, Marko Koers, Netherlands, 1:44.85; 7, Patrick Ndurum, Kenya, 1:45.24; 8, Mark Everett, U.S., 1:49.02.

5,000 METERS
SEMIFINALS

HEAT 1— 1, Ismail Sghyr, Morocco, 13 minutes, 19.69 seconds; 2, Dieter Baumann, Germany, 13:19.81; 3, Daniel Komen, Kenya, 13:19.87; 4, Enrique Molina, Spain, 13:22.74; 5, Paul Bitok, Kenya, 13:24.85; 6, Abdellah Behar, France, 13:26.50; 7, Worku Bikila, Ethiopia, 13:31.18; 7, Alan Culpepper, U.S., 13:34.74; 9, Anacleto Jimenez, Spain, 13:34.55; 10, Keith Cullen, Britain, 13:42.40; 11, Ahmad Warsama, Qatar, 13:49.55; 12, Sergei Drygin, Russia, 13:55.54; 13, Jeff Schiebler, Canada, 13:57.31; 14, Mark Carroll, Ireland, 13:57.88; 15, Rob Denmark, Britain, 13:58.08; 16, Ali Zaied, Libya, 13:58.26; 17, Nestor Garcia, Uruguay, 14:12.15; 18, Francis Munthali, Malawi, 14:14.80; Jonathan Wyatt, New Zealand, did not finish; Marco Condori, Bolivia, did not finish.

HEAT 2— 1, Bob Kennedy, U.S., 13:23.07; 2, Khalid Boulami, Morocco, 13:23.46; 3, Tom Nyariki, Kenya, 13:23.55; 4, El Hassan Lahssini, Morocco, 13:23.75; 5, Dionisio Castro, Portugal, 13:24.51; 6, Manuel Pancorbo, Spain, 13:25.71; 7, Pablo Olmeda, Mexico, 13:27.65; 8, Fita Bayissa, Ethiopia, 13:28.54; 9, Ismael Kirui, Kenya, 13:34.52; 10, Ayle Mezegebu, Ethiopia, 13:38.96; 11, Mustapha Essaid, France, 13:39.11; 12, Panayotis Papoulias, Greece, 13:58.27; 13, Brian Baker, U.S., 14:03.95; 14, Adrian Passey, Britain, 14:07.49; 15, Samuli Vasala, Finland, 14:10.92; 16, Yohannes Ghirmai, Eritrea, 14:59.47; 17, Kaina Lakade, Togo, 15:00.21; 18, Yeli Mourssa, Nigeria, 15:00.61

First 5 in each heat plus 5 fastest to final

WOMEN
800 METER WHEELCHAIR
FINAL

1, Louise Sauvage, Australia, 1 minute 52.11 seconds; 2, Chantal Petclerc, Canada, 1:52.49; 3, Tanni Grey, Britain, 1:56.44; 4, Monica Wetterstrom, Sweden, 1:57.10; 5, Lily Angerer, Germany, 1:57.70; 6, Edith Hunkeler, Switzerland, 2:03.67; 7, Yvonne Semisch, Germany, 2:07.34; 8, Irene Kourouvani, Greece, 3:07.83.

200 METERS
FINAL

1, Zhanna Pintussevich, Ukraine, 22.32; 2, Susanthika Jayasinghe, Sri Lanka, 22.39; 3, Merlene Ottey, Jamaica, 22.40; 4, Yekaterina Leshchova, Russia, 22.40; 5, Inger Miller, U.S., 22.52; 6, Marina Trandenkova, Russia, 22.65; 7, Melinda Gainsford-Taylor, Australia, 22.73; 8, Sylvianne Felix, France, 22.81.

400 METER HURDLES
FINAL

1, Nezha Bidouane, Morocco, 52.97 seconds; 2, Deon Hemmings, Jamaica, 53.09; 3, Kim Batten, U.S., 53.52; 4, Tatyana Tereshchuk, Ukraine, 53.81; 5, Debbie Parris, Jamaica, 54.19; 6, Tonja Buford-Bailey, U.S., 54.77; 7, Susan Smith, Ireland, 55.25; 8, Andrea Blackett, Barbados, 55.63.

4x100 METER RELAY
SEMIFINALS

HEAT 1— 1, United States 41.52 seconds; 2, France 42.53; 3, Nigeria 43.00; 4, Greece 43.15; 5, Australia 43.21; 6, Brazil 43.89; 7, Italy 44.16; Ukraine DQ.

HEAT 2— 1, Bahamas 42.19; 2, Jamaica 42.31; 3, Germany 42.51; 4, Russia 42.69; 5, China 42.92; 6, Colombia 43.51; 7, Finland 44.08; 8, Japan 44.56.

First 3 in each heat plus 2 fastest to final

THE WEEK AHEAD

SATURDAY, AUG. 9

CYCLING, San Sebastian, Spain — World Cup, San Sebastian Classic.

RUGBY UNION, Auckland — Tri-Nations, New Zealand vs. South Africa.

CRICKET, Colombo — Second test, Sri Lanka vs. India, through Aug. 13.

SUNDAY, AUG. 10

AUTO RACING, Budapest, Hungary — auto racing, FIA, Formula One, Hungarian Grand Prix.

SOCCER, San Jose, Costa Rica — World Cup Qualifying, CONCACAF final round, Costa Rica vs. El Salvador; Seoul, South Korea — exhibition, South Korea vs. Brazil.

MONDAY, AUG. 11

TENNIS, Indianapolis — Men, RCA Championships, through Aug. 17; New Haven, Connecticut — Pilot Pen International, through Aug. 17; Montreal — Women, du Maurier Open, through Aug. 17.

TUESDAY, AUG. 12

SOCCER, Various sites — UEFA Cup, first-leg, second qualifying round; European Cup Winners' Cup qualifying round, first leg; Various sites — UEFA Intertoto Cup finals, first leg.

WEDNESDAY, AUG. 13

SOCCER, Various sites — Champions League, first-leg, second qualifying round.

ATHLETICS, Zurich, Switzerland — Men and women, IAAF, Grand Prix, Zurich Weltklasse.

THURSDAY, AUG. 14

SOCCER, European Cup Winners' Cup qualifying round, first legs

GOLF, Mamaroneck, New York — PGA Championship, through Aug. 17; Surrey, England — Women's British Open, through Aug. 17

FRIDAY, AUG 15

GOLF, Ada, Michigan — Senior PGA Tour, First of America Classic, through Aug. 17

SATURDAY, AUG 16

ATHLETICS, Monte Carlo, Monaco — IAAF, Grand Prix, Hercules '97.

RUGBY UNION, Dunedin — New Zealand vs. Australia, Tri-Nations series.

SOCCER, Various sites — World Cup, African zone qualifiers, Egypt vs. Liberia, Tunisia vs. Namibia, South Africa vs. Congo, Zambia vs. Democratic Republic of Congo, Togo vs. Angola, Zimbabwe vs. Cameroon, Morocco vs. Gabon, Ghana vs. Sierre Leone.

SUNDAY, AUG 17

CYCLING, Leeds, England — World Cup, Lead International Classic.

CRICKET, Colombo — First one-day match, Sri Lanka vs. India

SOCCER, Canakry — World Cup, African zone group qualifier, Guinea vs. Nigeria.

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THE WORLD'S DAILY NEWSPAPER

Oilers Hope Nashville Will Lift Their Blues

By Lynn Zinser
Washington Post Service

This is what the Tennessee Oilers' situation has come to: The players are doing the team's public relations. They sign autographs before and after every practice. They subjected themselves to a silly parade down Memphis's Beale Street last week. The players know it is up to them to draw fans because their front office is having the opposite effect.

Since the day the Oilers learned that they would have a two- or three-year stay in Memphis before their new stadium was built in Nashville, virtual chaos has plagued the front office.

"We've had a lot of problems, problems with the phone system and problems getting the tickets out," said the Oilers' general manager, Floyd Reese. "Everything is related to the lack of time. We've only had six weeks. If we had started in February, we'd have 45,000 people out there."

Perhaps. After two years of rattling around the Houston Astrodome with only their most die-hard fans in the stands, the Oilers have moved to Tennessee, hoping for big, adoring crowds in a state welcoming its first professional team. But in their first game in Memphis last Saturday, a 21-12 exhibition loss to the New Orleans Saints at Liberty Bowl Memorial Stadium, the Oilers drew a measly 22,000 fans. The players refused to be downbeat, lingering to thank the fans who had shown up and to throw wristbands and a few towels into the stands. They await Saturday's game against the Redskins at Vanderbilt Stadium in Nashville to see if they will draw better crowds.

"It's going to turn around as the season gets going," said Eddie George, a running back. The problems here, however, go deep. Team management began by banking on a two-city tango between Memphis and Nashville, 200 miles (320 kilometers) apart. The Oilers believe people in Nashville will pile into their cars to attend games the first few seasons in Memphis, and that people in Memphis will flock in the other direction when the team settles in Nashville. This is far from a given. Nashville fans have bought 17,000 "personal seat licenses" for the new stadium — which assure them the opportunity to purchase season tickets — but license holders bought only 8,000 season tickets for this year.

There also is lingering resentment here because the NFL bypassed Memphis in its last round of expansion. The city nearly sold out the stadium for two exhibition games, both involving the Oilers. But when the expansion vote came, the Oilers' owner, Bud Adams, did not give Memphis his vote. Teams were awarded instead to Charlotte, North Carolina, and Jacksonville, Florida.

Adams made things worse when lease negotiations opened for the use of Memphis's Liberty Bowl. He offered $30,000 a game in rent, which wouldn't cover expenses, demanded physical improvements and told the city to pay the team's travel costs, nearly $300,000 a year.

The Memphis sports authority all but agreed until Geoff Calkins of The Commercial Appeal newspaper used his column to go on a rant against the Oilers. The city responded with an uproar so fierce the Oilers not only backed off, they agreed to donate $30,000 a game to Memphis charities. Still, Adams and his chief negotiator, the Oilers' vice president, Mike McClure, had the popularity rating of an ice storm.

Then, for several weeks, the phone number for ticket purchases either did not work or shuttled callers to a number in Nashville. The tickets that did get sold got delayed in a mailing foul-up.

The players were so touched when 4,000 people showed up for their first training camp practice in Nashville that they went into the stands to shake hands and sign autographs afterward. "When we ran out for practice, they gave us a standing ovation," said a receiver, Chris Sanders. "It was awesome."

Andrew Wallace-Reuters

Roger Clemens throwing his 40th career shutout while winning his 17th game of the season for the Blue Jays.

Clemens Gets 17th Victory As Jays Blank The Indians

The Associated Press

Roger Clemens became the first 17-game winner in the majors this season, pitching a five-hit shutout and striking out 10 to set a Toronto club record as the Blue Jays beat the visiting Cleveland Indians, 4-0.

Clemens (17-4), who pitched his 40th career shutout, has 202 strikeouts this season. The old club record of 198 was set by Dave Stieb in 1984.

Clemens, who reached the 200-strikeout plateau for the ninth time in his 13-year career, retired the final 13 hitters on Thursday night. He threw 137 pitches, 81 for strikes, walked three and lowered his major league-leading ERA to 1.69. It was his second shutout and seventh complete game of the season.

Shawn Green had two hits, scored twice and drove in one run to help the Blue Jays to just their fourth victory in 13 games but their eighth in their last nine home games.

John Smiley (1-1), making his second start since being acquired from the Cincinnati Reds on July 31, gave up three runs on nine hits over seven innings.

Athletics 5, Brewers 4 Rafael Bournigal's RBI single over a drawn-in outfield in the 13th inning gave host Oakland a victory over Milwaukee after the A's blew a two-run lead in the ninth.

Ernie Young began the 13th with a double off Doug Jones (3-5) and moved to third on a groundout. Milwaukee pulled its infielders in and positioned its outfielders a short distance from the edge of the infield dirt. Bournigal then hit a 300-foot fly ball that went over the head of left fielder Jeff Huson.

Dane Johnson (4-1), the sixth A's pitcher, worked two scoreless innings for the victory.

Tigers 8, Royals 4 Bob Hamelin, released by the Royals in spring training, hit a solo home run and an RBI double as Detroit defeated host Kansas City.

Bobby Higginson and Damion Easley also homered as Detroit improved to 53-59, matching last year's victory total. The Tigers had the worst record in the majors last season at 53-109.

Red Sox 7, Twins 6 Jeff Frye knocked in a run and scored twice as visiting Boston beat Minnesota for its fourth straight victory.

Red Sox starter Aaron Sele (11-8) lasted 5⅓ innings and gave up four hits and four earned runs. Jim Corsi, the sixth pitcher for Boston, pitched the ninth for his second save.

Yankees 4, Rangers 2 David Cone allowed only three hits in seven-plus innings, and Derek Jeter and Bernie Williams homered as New York beat host Texas to split their two-game series.

Cone (12-5) allowed two singles and a triple and struck out eight. He walked two, both of whom scored, before getting relief help. Mariano Rivera pitched the ninth and got his 34th save despite loading the bases.

Mariners 3, White Sox 2 Ken Griffey Jr., who had only three homers in July, hit his second of August to help Seattle beat visiting Chicago.

The Mariners won for the fourth time in five games and moved within a half-game of first-place Anaheim in the AL West.

AL ROUNDUP

Hudler Lifts Phillies Over the Astros

The Associated Press

Rex Hudler, in his first game since June 9, whacked a tying home run in the seventh inning and then hit an RBI single in the 11th as the Philadelphia Phillies beat the Houston Astros, 6-5.

The NL Central-leading Astros lost their season-high fourth straight. The host Phillies, with the worst record in the majors at 38-74, have won eight of 10.

Hudler was activated before Thursday night's game following his second stint on the disabled list this season. He was out April 12 to May 6 because of a strained left hamstring and was sidelined from June 12 to Aug. 7 because of surgery on his right knee.

His two-run homer made it 4 to 4 in the seventh.

A pinch hitter, Ricky Otero, blooped a one-out double in the 11th off Tom Martin (4-3) and Hudler followed with his game-winning hit.

Billy Brewer (1-2) got the victory.

Pirates 5, Marlins 1 Esteban Loaiza, who didn't retire a batter as a starter the night before, and Marc Wilkins each pitched three shutout relief innings following the ejection of Pittsburgh's starter, Francisco Cordova, as the Pirates beat Florida.

The Pirates ended Florida's four-game winning streak. The Marlins had won eight of nine.

Cordova and the Pirates manager, Gene Lamont, were thrown out by the umpire Jerry Layne in the second inning after Moises Alou was hit in the back with a pitch. Darren Daulton had just put Florida up 1-0 with his 12th homer.

Cubs 6, Giants 3 The rookie Jeremi Gonzalez outpitched Wilson Alvarez, and Chicago beat visiting San Francisco, stopping the Giants' four-game winning streak.

Sammy Sosa hit his 24th home run and Brian McRae had three hits, including a homer, for Chicago. The Cubs won for only the third time in 14 games.

Gonzalez (8-5) beat Alvarez (1-1) in a matchup of pitchers from Maracaibo, Venezuela.

Mets 12, Rockies 4 Carlos Baerga, starting for the first time in eight games, had four hits and drove in four runs, leading Mark Clark and the Mets over visiting Colorado.

Baerga, who had been sidelined for six games with a strained left rib cage before pinch-hitting Wednesday night, was 4-for-4 with a homer and double. He added an RBI single in a six-run seventh inning.

Braves 3, Cardinals 0 Streaking Denny Neagle pitched 7⅔ scoreless innings to become the National League's first 16-game winner, as host Atlanta beat St. Louis.

Neagle (16-2) ran his scoreless inning streak to 23⅔ innings in sending the Cardinals to their fifth straight loss and ninth in 10 games. Neagle, 4-0 with two no-decisions since the All-Star break, matched his career-high 16 wins of a year ago, when he was 16-9 with Pittsburgh and the Braves.

Reds 7, Padres 0 In Cincinnati, Brett Tomko pitched seven shutout innings of three-hit ball and the Reds pounded Danny Jackson in his return to San Diego's rotation.

San Diego lost for the seventh time in nine games and wasted a chance to pick up ground in the NL West. The defending champions remained 9½ games behind San Francisco, which also lost Thursday. The Reds won for only the sixth time in 19 games.

Dodgers 9, Expos 4 Mike Piazza went 4-for-5 with a homer and three RBIs and the visiting Dodgers survived a shaky outing by Hideo Nomo to beat Montreal.

NL ROUNDUP

Unknown Outshines Woods

By Clifton Brown
New York Times Service

GRAND BLANC, Michigan — Sonny Skinner's grandmother gave him his nickname because of his pleasant disposition. "I didn't know my real name was Henry until the first grade," Skinner said.

Only a few people at the Buick Open were familiar with Skinner's name before Thursday. He was one of the most obscure golfers in the field. Skinner, a Nike Tour regular for most of this decade, had seriously considered ending his career on the PGA Tour.

But Skinner made a name for himself on Thursday. He tied the course record at Warwick Hills Country Club, shooting a 10-under-par 62, equaling the second-round score of Jim Furyk in 1995.

When the first round ended, Skinner held a four-stroke lead over Nolan Henke with 10 golfers tied for third place at 67. Skinner is the first player to lead a PGA tournament by four strokes after the first round since Jose Maria Olazabal did it in 1994.

When Skinner looked at the leader board, his name was alone at the top. It may not stay there for four days, not with a strong field tuning up for Thursday's PGA Championship in pursuit. But Skinner dominated the course, becoming only the seventh player on the Tour this year to shoot a 10-under round.

"That's about the best I can do," said Skinner, who lives in Sylvester, Georgia, and who will turn 37 this month.

While a large portion of the gallery followed Tiger Woods, who struggled to an even-par 72, Skinner played his record-tying round with little fanfare.

"Here I am with a lead, and nobody's watching me play," Skinner said. "I looked over to the right, and that's where the other 60,000 people were."

■ Palmer's Army Marches On

With his hair now silver and his stomach bulging slightly over his belt, Arnold Palmer still commands The Army. Tiger Woods has his throng now, but with the Senior PGA Tour stopping this weekend at the Meadow Brook Club for the Northville Long Island Classic, the fans here belong to Palmer, the 68-year-old legend, the New York Times reported from Jericho, New York.

Working his way back after prostate cancer surgery in January, Palmer was the main attraction Thursday while playing the 6,842-yard course in a pro-am to ready himself for his first appearance in the 11-year-old tournament.

Lots of Commuting for Walker Cup Player

By Jack Cavanaugh
New York Times Service

SCARSDALE, New York — After playing his second match in the Metropolitan Golf Association Amateur Championship in Springfield, New Jersey, last Friday, Jerry Courville drove two and a half hours to his job as a projects coordinator in Shelton, Connecticut.

After spending the night at home in Milford, Connecticut, the 38-year-old Courville drove back to Springfield on Saturday morning, in time for his semi-final match.

He won that one and the 36-hole final on Sunday to become the third player to capture the Met Amateur and the Ike tournaments in the same year.

Such can be the life of an amateur golfer, even one of the very best, as Courville is.

As testament to that, he will play in his second Walker Cup on Saturday and Sunday as a member of the U.S. team that will face Britain and Ireland at the Quaker Ridge Country Club in Scarsdale.

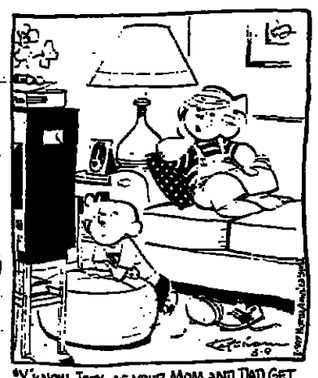
Courville was a member of the United States team that lost to Britain and Ireland, 14-10, two years ago in Wales. The victory was only the fourth for Britain and Ireland, against 30 defeats and a tie, in this amateur version of the Ryder Cup.

Each team returns three players from the 1995 competition. The two other American returnees are Buddy Marucci of Malvern, Pennsylvania, and John Harris of Edina, Minnesota.

The format for the Walker Cup will include alternate stroke play in the morning, starting at 8 A.M., and singles in the afternoon, at 1 P.M.

Apart from Courville, Marucci, Harris and Duke Delcher of Hilton Head Island, South Carolina, who is 41 years old, the six other members of the U.S. team are collegians or recent college players.

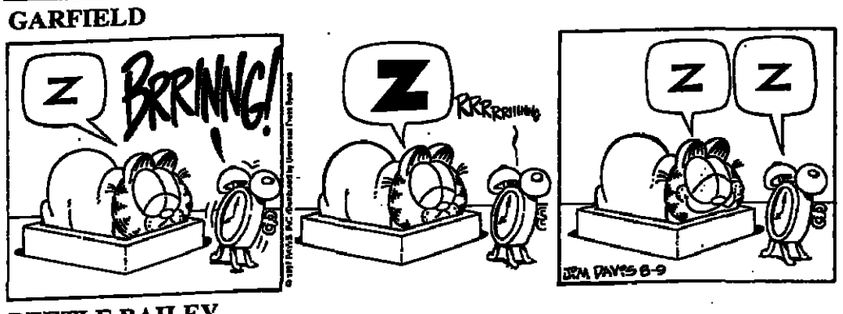
DENNIS THE MENACE



PEANUTS

CALVIN AND HOBBES

GARFIELD



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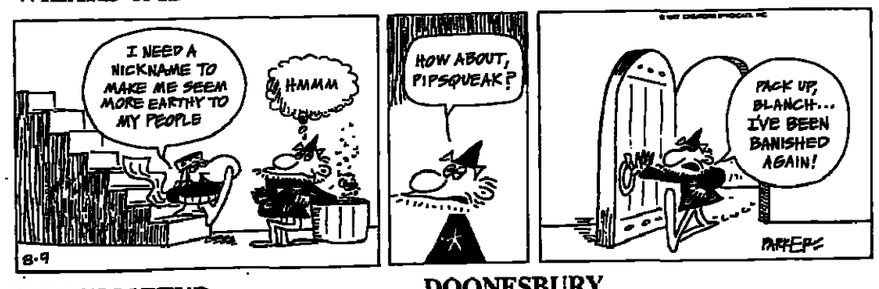

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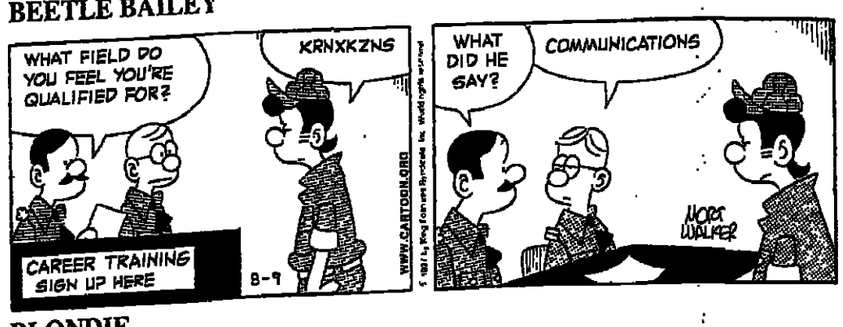

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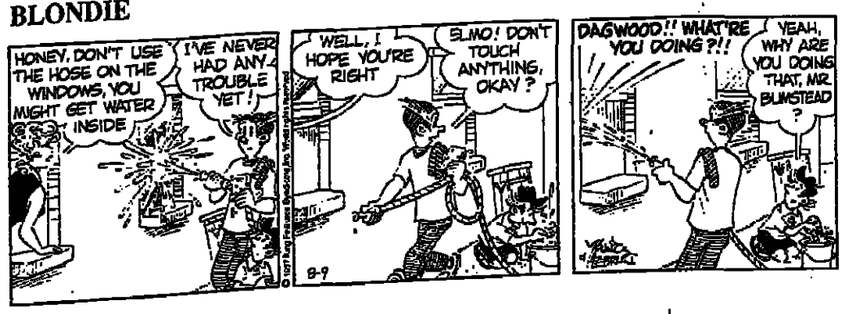

JUMBLE. THAT SCRAMBLED WORD GAME by Henri Arnold and Mike Argirion

Unscramble these four Jumbles, one letter in each square, to form four ordinary words.

YAIDS
CUEJI
REBOFE
MIRBLE

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer here: (Answers Monday)

Yesterday's Jumbles: VAPOR GULLY GOATEE MORTAR
Answer: Chair, car, when in a hurry – YOUR TEMPER

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DAVE BARRY

The Historic Smokescreen

MIAMI — Q. Could you please explain the recent historic tobacco settlement?

A. Sure! Basically, the tobacco industry has admitted that it is killing people by the millions and has agreed that from now on it will do this under the strict supervision of the U.S. government.

Q. Will there be monetary damages assessed?

A. Yes. To compensate for the immense suffering caused by its products, the tobacco industry will pay huge sums of money to the group most directly affected.

Q. Lawyers?

A. Yes.

Q. Will the U.S. government also receive large quantities of money?

A. Of course.

Q. How will the tobacco industry obtain this money?

A. By selling more tobacco products.

Q. What if consumers stop buying tobacco products?

A. That would be very bad. That would mess up the economics of the whole thing. The government would probably have to set up an emergency task force to figure out ways to get people smoking again in order to finance the historic tobacco settlement.

Q. You're kidding, right?

A. I'm not sure.

Q. Under this accord, will potent new steps be taken to remind smokers that they should not smoke?

A. Yes. Cigarette packs will carry even sterner scientific warnings regarding the badness of smoking, such as "YOU BIG DOODYHEAD!" These warnings will no doubt have the same massive impact as all the previous warnings, causing many smokers to smack their foreheads and say: "I had NO IDEA that smoking was unhealthy! I shall quit immediately!"

Q. Seriously, is there some kind of printed warning that really would make people stop buying cigarettes?

A. Yes. Sales would drop to zero overnight if the warning said: "CIGARETTES CONTAIN FAT." American consumers have no problem with carcinogens, but they will not purchase any product, including floor wax, that has fat in it.

Q. If the government really wants people to stop smoking, how come it doesn't just make cigarettes illegal?

A. Because people would smoke them anyway.

Q. Then how come the government makes crack cocaine illegal?

A. That is an unfair comparison. The tobacco industry is merely selling a deadly product; the crack cocaine industry is guilty of something far, far worse.

Q. Failure to make large political donations?

A. Yes.

Q. What does the historic tobacco settlement do to discourage adolescents from smoking?

A. It requires the parents of adolescents to put on giant pants, shave their heads and get their noses pierced, then smoke cigarettes in front of their kids while making statements such as: "Smoking is cool, dude!" This will cause the adolescents to join strict religious orders.

Q. What will be done regarding Joe Camel?

A. He will be neutered.

Q. How about Dennis Rodman?

A. Good idea.

Q. Many people started smoking because they watched classic movies in which glamorous Hollywood stars were always inhaling and exhaling vast clouds of smoke and looking totally cool. What will be done to correct this under the historic tobacco settlement?

A warning saying cigarettes contain fat would stop sales overnight.

A. By 1998, all classic movies will be digitally reprocessed by special Food and Drug Administration computers so that, to cite one example in "Casablanca," when Humphrey Bogart makes his dramatic final speech to Ingrid Bergman, he will have the voice of Rocky the Flying Squirrel.

Q. Whose voice will the late John Wayne have?

A. The late Lucille Ball's.

Q. Under the historic tobacco settlement, will cigarettes still be sold from vending machines?

A. Yes, but people purchasing cigarettes from such machines will also receive, as a warning of the health risks involved, a powerful electrical shock.

Q. What will happen to all the Tobacco Institute scientists, who, despite decades of dedicated research, were never able to find a single shred of evidence proving that cigarettes cause cancer?

A. At the request of the White House, they will be reassigned to the Whitewater investigation.

Q. How will the historic tobacco settlement affect the aliens whose spaceship crashed near Roswell, New Mexico, in 1947, and whose bodies are now being kept in top-secret government freezers?

A. Millions of dollars will be paid to their lawyers.

Q. I guess that covers it! Thanks! Smoke?

A. I have my own.

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The Millennium as Seen by a Design Guru

International Herald Tribune

MARY BLUME

LONDON — Other countries' attempts seem meager: Only Britain is making the coming millennium into a vast and costly commemoration. The Millennium Commission has more than £1 billion ($1.6 billion), extracted from the national lottery, on hand to fund nationwide projects from the new Tate Gallery site to a Garden of Eden in Cornwall to explore "the relationship between plants and humans," with smaller sums to be awarded for arthritis care, wildflowers, a dinosaur museum, the creation of a 2,785-mile bicycle route throughout Britain and installing or restoring enough church bells throughout the country to ring out the close of the second millennium and the start of the third.

Stephen Bayley's job is to make Britain's exhibition a "must see" event.

It is an all-party party, initiated by the Conservative government and adopted by Labour, and greeted with a good deal of indifference and downright irritation. "Politicians seem to have forgotten," said a chastising editorial in the Daily Telegraph, "that the real point of the occasion is to mark the 2,000th anniversary of Christ's birth." The celebration's centerpiece, a great dome at Greenwich, designed by the architect Richard Rogers, has been described as an inverted dustbin lid and attacked by environmentalists as "a poisonous project" because its roof is to be coated in toxic PVC.

The dome, being the focus of the celebration, has been the most vilified. It has a price tag of £200 million, is expected to receive 10 million visitors in a year and has been given a new name, The Millennium Experience, and, as of June, a creative director named Stephen Bayley who is expected to make it into a world-class exhibition and a "must see" event, in the words of the Millennium Commission.

Bayley, who created Terence Conran's Design Museum and its predecessor, the Boilerhouse, and who has an exhibition on Coca-Cola bottles at the Design Museum now, is a high-velocity talker and author of such books as "The Albert Memorial," "Taste" and "Sex, Drink and Fast Cars." He also advises ad agencies and names perfumes for Penhaligon. For convenience, he is usually referred to as a design guru.

"I've adopted the role with what I like to think of as self-deprecating irony," he said at the Conran club adjoining the new Bluebird café. "If people think I'm a design guru I may as well — you know, you are what you pretend to be."

In design, Bayley says he likes ordinary things well done, not excessively complicated things well done. "A Gap T-shirt interests me 100 times more than some tricked-up Versace number." He was wearing a Gap T-shirt, fashionable Schumi-clipped hair and dark glasses. "I can be lampooned for taking things like teapots too seriously, but I love that. It isn't that life is here and design is somewhere else. Everything can be a pleasure."

With all the fuss about the millennium dome, no one troubled to ask what would be inside it, which is where Bayley comes in with his mile-a-minute ideas, soaring enthusiasm and buoyant ego cloaked in irony. He was once called the second most intelligent man in Britain and still uses the phrase on his CV.

"That quote is like a Concorde luggage tag. I've only been on Concorde once but I keep reattaching it to my briefcase even when the elastic corrodes because there is nothing so guaranteed to stimulate a comment. Same with that quote."

His Millennium Experience job is, he says, to act as an editor. "There's so much going on that even someone of my energy and megalomania couldn't be involved in everything. I'm just the mind and the eye which coordinates." He wishes it weren't called the Millennium *Experience*.

"I'm not happy about that word. I think it is what is called a redundant amplification, like sexual experience. It's either sex or it's not."

Before he came on the job it had been decided that in the center of the dome would be a drumlike theatrical space for 10,000 in which Sir Cameron Mackintosh would produce a 40-minute spectacle about time and history and how we got to where we are. The unleashed spectators then aim for the 18 exhibits which Bayley is organizing, each to deal with nine elements: local, national, global, work, rest, play, body, mind and soul.

Right now a bunch of designers is being asked to answer one-line questions, such as, "What will we eat in the year 3000?" "Is God dead and can science find Him?" "What are the finite limits to athletic performance?" Once the designers have answered these questions, special advisers ranging from the musician Brian Eno to the head of the Jet Propulsion Laboratory at Pasadena, California, will be called in to make useful comments resulting in what Bayley calls a provocative insight into where we are and how we get to the next stage.

"It all sounds madly utopian," he said, "but then the whole project is madly utopian and that's its charm. The great excitement in all this is that no one's done it before. In the last millennium people were locked in a sort of gloomy tense expectation about the apocalypse."

And aren't they now? "Yes, but it takes a different form, doesn't it?" Bayley, at any rate, says he is one of those "desperately" old-fashioned people" who believes tomorrow is going to be better than today. "I've had a lot of experience making people interested in design, now to be able to make them interested in ideas as well through design is compellingly interesting." His hero is Prince Albert, inventor of the Great Exhibition of 1851.

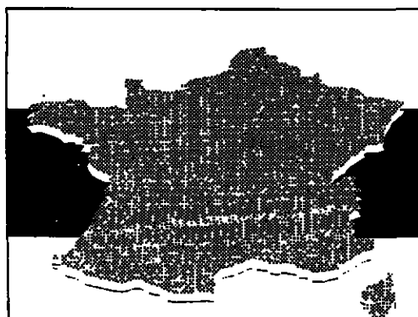
"Even I am not so insanely conceited as to think I'm capable of doing anything as important and significant as 1851, which is one of the extraordinary moments in the history of civilization. It would be folly to think we could duplicate that but on the other hand big public exhibitions can change national moods. The Festival of Britain in 1951 certainly did."

To an outsider it is fascinating that Britain should be the one country to annex the millennium so copiously. It may be the national gift for commemoration of any sort, a way of avoiding the always parlous present and, in this case, of taming the future by recalling the great exhibitions of the past. More specifically, Bayley also looks at the Millennium Experience as a way of stating, as 1851 did, that Britain is the global capital of design.

"There are long British traditions of trading and inventiveness and I think in a sense modern design is a development of those traditions. Also, London is probably the most cosmopolitan city in the world, and another aspect is that Britain has the most highly developed art education system of any country. But when I say one of the things I want to do with the millennium is turn it into a showcase of design, I don't mean narrowly nationalistic design. Design is the most transferable commodity, it is international.

"And I think the questions we are raising in the exhibition clearly have international relevance. We certainly haven't construed it to be narrowly nationalistic but it will reflect well on the culture which gave rise to it, he said in a statesmanlike manner." Bayley added in a statesmanlike manner.

His job ends on Dec. 31, 1999, and Bayley is confident that his concept can be realized in the short time ahead. The main thing is that the result be interesting and, he says, "Certainly this is very, very interesting indeed, I hope." he added, "in our next conversation we are not suffocated by the aroma of burned fingers. I think it's do-able, it's certainly desirable and it is do-able I think. Misty look coming up in my eyes." Perhaps so, but behind the designer shades it was hard to tell.



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PEOPLE

A MOTHER has won a legal battle to name her son **Godot** after waiting more than a year for permission from the courts. A court in Hannover, Germany, in a ruling issued 395 days after the child was born, determined that a city official had been wrong to refuse to add the name Godot to the baby's other names, Max and Geronimo, on the birth certificate. It overturned a ruling by a lower court that had argued that Godot was not a first name but "a fantastical literary name." The lower court said that people associated Godot with death, guilt, salvation or God because of the play "Waiting for Godot" by **Samuel Beckett**, and that the child would be exposed to ridicule as he grew up if given that name. Beckett's play centers on two tramps who wait in vain for Godot, who never shows up.

□

Garth Brooks had friends from many places as hundreds of thousands turned out for a free concert in Central Park, making the heart of New York City beat country for a few hours. Fans flew in from Wyoming, hitchhiked from Florida, drove semi-trailer trucks from Kansas and took commuter trains from New Jersey. They sang along as the country singer pounded out his hits, including "Rodeo" and "Friends in Low Places." Brooks told the crowd they hit 900,000, and an enthusiastic announcer put the number at 750,000. Police estimated the size of Thursday night's audience at 250,000.

□

What's a Hollywood star to do between projects? **Gwyneth Paltrow**, who has three movies ready for release and is contemplating what to do next, has moved into a new field: magazine editing. She will be the guest editor-in-chief for Marie Claire's January issue. Says **Glenda Bailey**, who has the job the rest of the time, "She is so talented in this area that if she wanted to become a full-time journalist, she would be very successful." Paltrow, who recently starred in "Emma," began her stint on the magazine two weeks ago. . . . A judge in Los Angeles has ordered Playgirl magazine to stop selling the August issue, which features pictures of Paltrow and **Brad Pitt** frolicking nude on a Caribbean island in 1995. Paltrow recently broke off an engagement to Pitt, who has been fighting Playgirl over its publication of the photos.

□

Robert Altman and Polygram are at odds over his claim that he was fired as director of "The Gingerbread Man." Altman told a New York screening audience that he had been summarily dismissed after the film did not fare well at screenings for Los Angeles mall theater audiences, and that he had lost control of the thriller's final cut. Polygram denied that Altman was fired from the film or had been professionally mistreated. "The Gingerbread Man," an original script by the best-selling novelist **John Grisham**, stars **Kenneth Branagh**, **Robert Downey Jr.** and **Robert Duvall**. The East Coast screening was of Altman's version. At a party afterward, he said his removal was the worst thing that had ever happened to him, according to **J.R. Rich**, a Blue Note record company executive.

Jean-Pierre Muller Agence France-Presse

ALL THAT JAZZ — Singer Polya Jordan chatting with saxophonist Benny Waters as the Marciac Jazz Festival opened in southwest France.

□

Tom Clancy is engaged, the Buffalo News reports. The newspaper said that the thriller writer's bride-to-be, **Alex Llewellyn**, a former television reporter for WKBW in Buffalo, New York, had told several friends that the wedding was scheduled for February. Clancy, who is soon to be divorced, is the author of "Patriot Games" and "The Hunt for Red October." . . . **Kelsey Grammer**, the star of the NBC sitcom "Frasier," married **Camille Donatacci**, a former film student, this week. Two hundred friends and family members attended the sunset ceremony in Malibu, California, Grammer's publicist said.

□

The author **Sandra Cisneros** appeared before San Antonio's Historic and Design Review Commission, which apparently has a problem with the purple paint job on her house. Cisneros agreed to work with the city to seek a paint scheme acceptable to both parties, but reserved the right "to defend my colors" if an agreement is not reached. Cisneros, who wrote "The House on Mango Street" and "Woman Hollering Creek," says that the purple hue reflects the cultural history of southern Texas and Mexico. "According to my history, purple is a historical color," she said. "This was Mexico, and the Mexican color palette isn't being allowed."

Afterlife as an Angel for Your Virtual Pet

Reuters

TOKYO — For anyone who thought there might be money in virtual pet cemeteries for the sensationally popular virtual pet Tamagotchi, the toy's creator has just dashed all hopes.

Responding to criticism that the death of an electronic pet could be upsetting to some children, the Japanese toy maker Bandai Co. said Friday that it would sell a new version of the toy that returns to life as an angel. With the new Tamagotchi, to be launched next week, an angel descends into the tiny liquid crystal display that was occupied by the electronic pet before its demise.

"We have heard about criticism in the Philippines that our digital toy treats the subject of death too lightly, but we want owners to love and care for it as if it were a real pet," said a Bandai spokeswoman.

In the original version, the birdlike virtual pet would die if it was not properly fed, bathed and played with. But because a new bird could easily be hatched with a reset button, the toy was also criticized for desensitizing children toward death by encouraging them to kill off the pet and start over if they did not like the way it was developing.

The angel version does not die when neglected, but just returns to heaven.

هكذا من الأصل